

AMENDED IN ASSEMBLY JUNE 2, 2010

AMENDED IN ASSEMBLY FEBRUARY 4, 2010

AMENDED IN SENATE JANUARY 14, 2010

AMENDED IN SENATE DECEMBER 15, 2009

SENATE BILL

No. 189

Introduced by Senator Lowenthal

February 18, 2009

An act to amend Sections 7034, 7071.5, 7071.10, 7159, 7159.1, 7159.5, 7159.14, 7164, 8513, and 17577.5 of the Business and Professions Code, to amend Sections 1917.166, 1917.615, 3059, 3060, 3319, 3320, and 3321 of, to add Part 6 (commencing with Section 8000) to Division 4 of, to repeal Chapter 8 (commencing with Section 3081.1) of Title 14 of Part 4 of Division 3 of, and to repeal Title 15 (commencing with Section 3082) of Part 4 of Division 3 of, the Civil Code, to amend Sections 86, 410.42, 708.760, 1203.61, 1281.5, and 1800 of the Code of Civil Procedure, to amend Sections 17307.5 and 81133.5 of the Education Code, to amend Sections 7480, 14975, 15820.105, 27287, 66499.2, and 66499.7 of, and to repeal Section 27361.9 of, the Government Code, to amend Sections 5463, 16017.5, 19825, and 34218 of the Health and Safety Code, to amend Section 11751.82 of the Insurance Code, to amend Section 218.5 of the Labor Code, to amend Sections 4107.7, 7103, 10222, 10822, 20104, 20134, 20461, 20496, 20682.5, 20688.4, 20813, 20815.3, 20991, 21061, 21071, 21081, 21091, 21101, 21111, 21121, 21131, 21141, 21151, 21161, 21171, 21181, 21196, 21212, 21231, 21241, 21251, 21261, 21271, 21311, 21321, 21331, 21341, 21351, 21361, 21371, 21381, 21391, 21401, 21411, 21421, 21431, 21441, 21451, 21461, 21491, 21501, 21511, 21521, 21531, 21541, 21572, 21581, 21591, 21601, 21622, and 21631 of, the

Public Contract Code, and to amend Section 136.5 of the Streets and Highways Code, relating to mechanics liens.

LEGISLATIVE COUNSEL'S DIGEST

SB 189, as amended, Lowenthal. Mechanics liens.

The California Constitution provides that mechanics, persons furnishing materials, artisans, and laborers of every class have a lien upon the property upon which they have bestowed labor or furnished material for the value of the labor done and material furnished. The California Constitution also requires the Legislature to provide, by law, for the speedy and efficient enforcement of those liens.

Existing statutory law governs works of improvement, including design professionals' liens and mechanics liens. These provisions govern the conditions required to enforce a lien and for a mechanic's lien to be deemed valid, and define the use of the terms "materialman" and "original contractor" for purposes of the mechanics' lien law.

This bill would revise and recast those statutory provisions and make both substantive and technical changes. The bill would also replace the terms "original contractor" and "materialman" with the terms "direct contractor" and "material supplier," respectively. The bill would specifically authorize the submission of notices by means of electronic communication with respect to mechanics liens. The bill would also set forth additional requirements governing the form of security for bonds and would set forth the security required for large projects with a contract price of greater than \$1,000,000 for the owner of a less than fee interest in property or \$5,000,000 for the owner of the fee interest in the property.

The bill would enact separate provisions governing private works of improvement and public works of improvement. The bill would revise and recast provisions governing design professionals' liens, mechanics liens, notices of cessation, payment bonds, and retention payments. The bill would make related and conforming changes. Because the bill would expand the class of persons who are required to submit affidavits, the bill would expand the scope of the crime of perjury, thereby imposing a state-mandated local program. The bill would also provide that any other act, *except as specified*, enacted during the 2010 calendar year that takes effect on or before January 1, 2011, and that amends, adds, or repeals any section that is amended, added, or repealed by this act, as specified, shall prevail over this act.

The bill would become operative on January 1, 2012.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7034 of the Business and Professions
2 Code is amended to read:

3 7034. (a) No contractor that is required to be licensed under
4 this chapter shall insert in any contract, or be a party, with a
5 subcontractor that is licensed under this chapter to any contract
6 which contains, a provision, clause, covenant, or agreement which
7 is void or unenforceable under Section 2782 of the Civil Code.

8 (b) No contractor that is required to be licensed under this
9 chapter shall require a waiver of lien rights from any subcontractor,
10 employee, or supplier in violation of Section ~~8160 or 9250~~ 8122
11 of the Civil Code.

12 SEC. 2. Section 7071.5 of the Business and Professions Code
13 is amended to read:

14 7071.5. The contractor's bond required by this article shall be
15 executed by an admitted surety in favor of the State of California,
16 in a form acceptable to the registrar and filed with the registrar by
17 the licensee or applicant. The contractor's bond shall be for the
18 benefit of the following:

19 (a) A homeowner contracting for home improvement upon the
20 homeowner's personal family residence damaged as a result of a
21 violation of this chapter by the licensee.

22 (b) A property owner contracting for the construction of a
23 single-family dwelling who is damaged as a result of a violation
24 of this chapter by the licensee. That property owner shall only
25 recover under this subdivision if the single-family dwelling is not
26 intended for sale or offered for sale at the time the damages were
27 incurred.

1 (c) A person damaged as a result of a willful and deliberate
2 violation of this chapter by the licensee, or by the fraud of the
3 licensee in the execution or performance of a construction contract.

4 (d) An employee of the licensee damaged by the licensee's
5 failure to pay wages.

6 (e) A person or entity, including a laborer described in
7 subdivision (b) of Section ~~8020~~ or subdivision (b) of Section ~~9012~~
8 ~~8024~~ of the Civil Code, to which a portion of the compensation of
9 an employee of a licensee is paid by agreement with that employee
10 or the collective bargaining agent of that employee, damaged as
11 the result of the licensee's failure to pay fringe benefits for its
12 employees, including, but not limited to, employer payments
13 described in Section 1773.1 of the Labor Code and regulations
14 thereunder (without regard to whether the work was performed on
15 a private or public work). Damage to a person or entity under this
16 subdivision is limited to actual employer payments required to be
17 made on behalf of employees of the licensee, as part of the overall
18 compensation of those employees, which the licensee fails to pay.

19 SEC. 3. Section 7071.10 of the Business and Professions Code
20 is amended to read:

21 7071.10. The qualifying individual's bond required by this
22 article shall be executed by an admitted surety insurer in favor of
23 the State of California, in a form acceptable to the registrar and
24 filed with the registrar by the qualifying individual. The qualifying
25 individual's bond shall not be required in addition to the
26 contractor's bond when, as set forth under paragraph (1) of
27 subdivision (b) of Section 7068, the individual proprietor has
28 qualified for the license by his or her personal appearance, or the
29 qualifier is a general partner as set forth under paragraph (2) of
30 subdivision (b) of Section 7068. The qualifying individual's bond
31 shall be for the benefit of the following persons:

32 (a) A homeowner contracting for home improvement upon the
33 homeowner's personal family residence damaged as a result of a
34 violation of this chapter by the licensee.

35 (b) A property owner contracting for the construction of a
36 single-family dwelling who is damaged as a result of a violation
37 of this chapter by the licensee. That property owner shall only
38 recover under this subdivision if the single-family dwelling is not
39 intended for sale or offered for sale at the time the damages were
40 incurred.

1 (c) A person damaged as a result of a willful and deliberate
2 violation of this chapter by the licensee, or by the fraud of the
3 licensee in the execution or performance of a construction contract.

4 (d) An employee of the licensee damaged by the licensee's
5 failure to pay wages.

6 (e) A person or entity, including a laborer described in
7 subdivision (b) of Section ~~8020~~ or subdivision (b) of Section ~~9012~~
8 ~~8024~~ of the Civil Code, to which a portion of the compensation of
9 an employee of a licensee is paid by agreement with that employee
10 or the collective bargaining agent of that employee, that is damaged
11 as the result of the licensee's failure to pay fringe benefits for its
12 employees including, but not limited to, employer payments
13 described in Section 1773.1 of the Labor Code and regulations
14 adopted thereunder (without regard to whether the work was
15 performed on a public or private work). Damage to a person or
16 entity under this subdivision is limited to employer payments
17 required to be made on behalf of employees of the licensee, as part
18 of the overall compensation of those employees, which the licensee
19 fails to pay.

20 SEC. 4. Section 7159 of the Business and Professions Code is
21 amended to read:

22 7159. (a) (1) This section identifies the projects for which a
23 home improvement contract is required, outlines the contract
24 requirements, and lists the items that shall be included in the
25 contract, or may be provided as an attachment.

26 (2) This section does not apply to service and repair contracts
27 that are subject to Section 7159.10, if the contract for the applicable
28 services complies with Sections 7159.10 to 7159.14, inclusive.

29 (3) This section does not apply to the sale, installation, and
30 servicing of a fire alarm sold in conjunction with an alarm system,
31 as defined in subdivision (n) of Section 7590.1, if all costs
32 attributable to making the fire alarm system operable, including
33 sale and installation costs, do not exceed five hundred dollars
34 (\$500), and the licensee complies with the requirements set forth
35 in Section 7159.9.

36 (4) This section does not apply to any costs associated with
37 monitoring a burglar or fire alarm system.

38 (5) Failure by the licensee, his or her agent or salesperson, or
39 by a person subject to be licensed under this chapter, to provide
40 the specified information, notices, and disclosures in the contract,

1 or to otherwise fail to comply with any provision of this section,
2 is cause for discipline.

3 (b) For purposes of this section, “home improvement contract”
4 means an agreement, whether oral or written, or contained in one
5 or more documents, between a contractor and an owner or between
6 a contractor and a tenant, regardless of the number of residence
7 or dwelling units contained in the building in which the tenant
8 resides, if the work is to be performed in, to, or upon the residence
9 or dwelling unit of the tenant, for the performance of a home
10 improvement, as defined in Section 7151, and includes all labor,
11 services, and materials to be furnished and performed thereunder,
12 if the aggregate contract price specified in one or more
13 improvement contracts, including all labor, services, and materials
14 to be furnished by the contractor, exceeds five hundred dollars
15 (\$500). “Home improvement contract” also means an agreement,
16 whether oral or written, or contained in one or more documents,
17 between a salesperson, whether or not he or she is a home
18 improvement salesperson, and an owner or a tenant, regardless of
19 the number of residence or dwelling units contained in the building
20 in which the tenant resides, which provides for the sale, installation,
21 or furnishing of home improvement goods or services.

22 (c) In addition to the specific requirements listed under this
23 section, every home improvement contract and any person subject
24 to licensure under this chapter or his or her agent or salesperson
25 shall comply with all of the following:

26 (1) The writing shall be legible.

27 (2) Any printed form shall be readable. Unless a larger typeface
28 is specified in this article, text in any printed form shall be in at
29 least 10-point typeface and the headings shall be in at least 10-point
30 boldface type.

31 (3) (A) Before any work is started, the contractor shall give the
32 buyer a copy of the contract signed and dated by both the contractor
33 and the buyer. The buyer’s receipt of the copy of the contract
34 initiates the buyer’s rights to cancel the contract pursuant to
35 Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

36 (B) The contract shall contain on the first page, in a typeface
37 no smaller than that generally used in the body of the document,
38 both of the following:

39 (i) The date the buyer signed the contract.

1 (ii) The name and address of the contractor to which the
2 applicable “Notice of Cancellation” is to be mailed, immediately
3 preceded by a statement advising the buyer that the “Notice of
4 Cancellation” may be sent to the contractor at the address noted
5 on the contract.

6 (4) A statement that, upon satisfactory payment being made for
7 any portion of the work performed, the contractor, prior to any
8 further payment being made, shall furnish to the person contracting
9 for the home improvement or swimming pool work a full and
10 unconditional release from any claim or mechanic’s lien pursuant
11 to Section 8410 of the Civil Code for that portion of the work for
12 which payment has been made.

13 (5) A change-order form for changes or extra work shall be
14 incorporated into the contract and shall become part of the contract
15 only if it is in writing and signed by the parties prior to the
16 commencement of any work covered by a change order.

17 (6) The contract shall contain, in close proximity to the
18 signatures of the owner and contractor, a notice stating that the
19 owner or tenant has the right to require the contractor to have a
20 performance and payment bond.

21 (7) If the contract provides for a contractor to furnish joint
22 control, the contractor shall not have any financial or other interest
23 in the joint control.

24 (8) The provisions of this section are not exclusive and do not
25 relieve the contractor from compliance with any other applicable
26 provision of law.

27 (d) A home improvement contract and any changes to the
28 contract shall be in writing and signed by the parties to the contract
29 prior to the commencement of work covered by the contract or an
30 applicable change order and, except as provided in paragraph (8)
31 of subdivision (a) of Section 7159.5, shall include or comply with
32 all of the following:

33 (1) The name, business address, and license number of the
34 contractor.

35 (2) If applicable, the name and registration number of the home
36 improvement salesperson that solicited or negotiated the contract.

37 (3) The following heading on the contract form that identifies
38 the type of contract in at least 10-point boldface type: “Home
39 Improvement.”

(4) The following statement in at least 12-point boldface type:
“You are entitled to a completely filled in copy of this agreement,
signed by both you and the contractor, before any work may be
started.”

(5) The heading: “Contract Price,” followed by the amount of
the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: “Finance
Charge,” followed by the amount in dollars and cents. The finance
charge is to be set out separately from the contract amount.

(7) The heading: “Description of the Project and Description
of the Significant Materials to be Used and Equipment to be
Installed,” followed by a description of the project and a description
of the significant materials to be used and equipment to be installed.
For swimming pools, the project description required under this
paragraph also shall include a plan and scale drawing showing the
shape, size, dimensions, and the construction and equipment
specifications.

(8) If a downpayment will be charged, the details of the
downpayment shall be expressed in substantially the following
form, and shall include the text of the notice as specified in
subparagraph (C):

(A) The heading: “Downpayment.”

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:
“THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10
PERCENT OF THE CONTRACT PRICE, WHICHEVER IS
LESS.”

(9) If payments, other than the downpayment, are to be made
before the project is completed, the details of these payments,
known as progress payments, shall be expressed in substantially
the following form, and shall include the text of the statement as
specified in subparagraph (C):

(A) A schedule of progress payments shall be preceded by the
heading: “Schedule of Progress Payments.”

(B) Each progress payment shall be stated in dollars and cents
and specifically reference the amount of work or services to be
performed and materials and equipment to be supplied.

(C) The section of the contract reserved for the progress
payments shall include the following statement in at least 12-point
boldface type:

1 “The schedule of progress payments must specifically describe
2 each phase of work, including the type and amount of work or
3 services scheduled to be supplied in each phase, along with the
4 amount of each proposed progress payment. IT IS AGAINST THE
5 LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR
6 WORK NOT YET COMPLETED, OR FOR MATERIALS NOT
7 YET DELIVERED. HOWEVER, A CONTRACTOR MAY
8 REQUIRE A DOWNPAYMENT.”

9 (10) The contract shall address the commencement of work to
10 be performed in substantially the following form:

11 (A) A statement that describes what constitutes substantial
12 commencement of work under the contract.

13 (B) The heading: “Approximate Start Date.”

14 (C) The approximate date on which work will be commenced.

15 (11) The estimated completion date of the work shall be
16 referenced in the contract in substantially the following form:

17 (A) The heading: “Approximate Completion Date.”

18 (B) The approximate date of completion.

19 (12) If applicable, the heading: “List of Documents to be
20 Incorporated into the Contract,” followed by the list of documents
21 incorporated into the contract.

22 (13) The heading: “Note about Extra Work and Change Orders,”
23 followed by the following statement:

24 “Extra Work and Change Orders become part of the contract
25 once the order is prepared in writing and signed by the parties prior
26 to the commencement of work covered by the new change order.
27 The order must describe the scope of the extra work or change,
28 the cost to be added or subtracted from the contract, and the effect
29 the order will have on the schedule of progress payments.”

30 (e) Except as provided in paragraph (8) of subdivision (a) of
31 Section 7159.5, all of the following notices shall be provided to
32 the owner as part of the contract form as specified or, if otherwise
33 authorized under this subdivision, may be provided as an
34 attachment to the contract:

35 (1) A notice concerning commercial general liability insurance.
36 This notice may be provided as an attachment to the contract if
37 the contract includes the following statement: “A notice concerning
38 commercial general liability insurance is attached to this contract.”
39 The notice shall include the heading “Commercial General Liability

1 Insurance (CGL),” followed by whichever of the following
2 statements is both relevant and correct:

3 (A) “(The name on the license or ‘This contractor’) does not
4 carry commercial general liability insurance.”

5 (B) “(The name on the license or ‘This contractor’) carries
6 commercial general liability insurance written by (the insurance
7 company). You may call (the insurance company) at _____
8 to check the contractor’s insurance coverage.”

9 (C) “(The name on the license or ‘This contractor’) is
10 self-insured.”

11 (2) A notice concerning workers’ compensation insurance. This
12 notice may be provided as an attachment to the contract if the
13 contract includes the statement: “A notice concerning workers’
14 compensation insurance is attached to this contract.” The notice
15 shall include the heading “Workers’ Compensation Insurance”
16 followed by whichever of the following statements is correct:

17 (A) “(The name on the license or ‘This contractor’) has no
18 employees and is exempt from workers’ compensation
19 requirements.”

20 (B) “(The name on the license or ‘This contractor’) carries
21 workers’ compensation insurance for all employees.”

22 (3) A notice that provides the buyer with the following
23 information about the performance of extra or change-order work:

24 (A) A statement that the buyer may not require a contractor to
25 perform extra or change-order work without providing written
26 authorization prior to the commencement of work covered by the
27 new change order.

28 (B) A statement informing the buyer that extra work or a change
29 order is not enforceable against a buyer unless the change order
30 also identifies all of the following in writing prior to the
31 commencement of work covered by the new change order:

32 (i) The scope of work encompassed by the order.

33 (ii) The amount to be added or subtracted from the contract.

34 (iii) The effect the order will make in the progress payments or
35 the completion date.

36 (C) A statement informing the buyer that the contractor’s failure
37 to comply with the requirements of this paragraph does not
38 preclude the recovery of compensation for work performed based
39 upon legal or equitable remedies designed to prevent unjust
40 enrichment.

1 (4) A notice with the heading “Mechanics Lien Warning” written
2 as follows:

3 “MECHANICS LIEN WARNING:

4 Anyone who helps improve your property, but who is not paid,
5 may record what is called a mechanics lien on your property. A
6 mechanics lien is a claim, like a mortgage or home equity loan,
7 made against your property and recorded with the county recorder.

8 Even if you pay your contractor in full, unpaid subcontractors,
9 suppliers, and laborers who helped to improve your property may
10 record mechanics liens and sue you in court to foreclose the lien.
11 If a court finds the lien is valid, you could be forced to pay twice
12 or have a court officer sell your home to pay the lien. Liens can
13 also affect your credit.

14 To preserve their right to record a lien, each subcontractor and
15 material supplier must provide you with a document called a
16 ‘Preliminary Notice.’ This notice is not a lien. The purpose of the
17 notice is to let you know that the person who sends you the notice
18 has the right to record a lien on your property if he or she is not
19 paid.

20 BE CAREFUL. The Preliminary Notice can be sent up to 20
21 days after the subcontractor starts work or the supplier provides
22 material. This can be a big problem if you pay your contractor
23 before you have received the Preliminary Notices.

24 You will not get Preliminary Notices from your prime contractor
25 or from laborers who work on your project. The law assumes that
26 you already know they are improving your property.

27 PROTECT YOURSELF FROM LIENS. You can protect
28 yourself from liens by getting a list from your contractor of all the
29 subcontractors and material suppliers that work on your project.
30 Find out from your contractor when these subcontractors started
31 work and when these suppliers delivered goods or materials. Then
32 wait 20 days, paying attention to the Preliminary Notices you
33 receive.

34 PAY WITH JOINT CHECKS. One way to protect yourself is
35 to pay with a joint check. When your contractor tells you it is time
36 to pay for the work of a subcontractor or supplier who has provided
37 you with a Preliminary Notice, write a joint check payable to both
38 the contractor and the subcontractor or material supplier.

39 For other ways to prevent liens, visit CSLB’s Internet Web site
40 at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

1 REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING
2 A LIEN PLACED ON YOUR HOME. This can mean that you
3 may have to pay twice, or face the forced sale of your home to pay
4 what you owe.”

5 (5) The following notice shall be provided in at least 12-point
6 typeface:

7 “Information about the Contractors’ State License Board (CSLB):
8 CSLB is the state consumer protection agency that licenses and
9 regulates construction contractors.

10 Contact CSLB for information about the licensed contractor you
11 are considering, including information about disclosable
12 complaints, disciplinary actions, and civil judgments that are
13 reported to CSLB.

14 Use only licensed contractors. If you file a complaint against a
15 licensed contractor within the legal deadline (usually four years),
16 CSLB has authority to investigate the complaint. If you use an
17 unlicensed contractor, CSLB may not be able to help you resolve
18 your complaint. Your only remedy may be in civil court, and you
19 may be liable for damages arising out of any injuries to the
20 unlicensed contractor or the unlicensed contractor’s employees.

21 For more information:

22 Visit CSLB’s Internet Web site at www.cslb.ca.gov

23 Call CSLB at 800-321-CSLB (2752)

24 Write CSLB at P.O. Box 26000, Sacramento, CA 95826.”

25 (6) (A) The notice set forth in subparagraph (B) and entitled
26 “Three-Day Right to Cancel,” shall be provided to the buyer unless
27 the contract is:

28 (i) Negotiated at the contractor’s place of business.

29 (ii) Subject to the “Seven-Day Right to Cancel,” as set forth in
30 paragraph (7).

31 (iii) Subject to licensure under the Alarm Company Act (Chapter
32 11.6 (commencing with Section 7590)), provided the alarm
33 company licensee complies with Sections 1689.5, 1689.6, and
34 1689.7 of the Civil Code, as applicable.

35 (B) “Three-Day Right to Cancel

36 You, the buyer, have the right to cancel this contract within three
37 business days. You may cancel by e-mailing, mailing, faxing, or
38 delivering a written notice to the contractor at the contractor’s
39 place of business by midnight of the third business day after you
40 received a signed and dated copy of the contract that includes this

1 notice. Include your name, your address, and the date you received
2 the signed copy of the contract and this notice.

3 If you cancel, the contractor must return to you anything you
4 paid within 10 days of receiving the notice of cancellation. For
5 your part, you must make available to the contractor at your
6 residence, in substantially as good condition as you received them,
7 goods delivered to you under this contract or sale. Or, you may,
8 if you wish, comply with the contractor's instructions on how to
9 return the goods at the contractor's expense and risk. If you do
10 make the goods available to the contractor and the contractor does
11 not pick them up within 20 days of the date of your notice of
12 cancellation, you may keep them without any further obligation.
13 If you fail to make the goods available to the contractor, or if you
14 agree to return the goods to the contractor and fail to do so, then
15 you remain liable for performance of all obligations under the
16 contract."

17 (C) The "Three-Day Right to Cancel" notice required by this
18 paragraph shall comply with all of the following:

- 19 (i) The text of the notice is at least 12-point boldface type.
20 (ii) The notice is in immediate proximity to a space reserved
21 for the owner's signature.
22 (iii) The owner acknowledges receipt of the notice by signing
23 and dating the notice form in the signature space.
24 (iv) The notice is written in the same language, e.g., Spanish,
25 as that principally used in any oral sales presentation.
26 (v) The notice may be attached to the contract if the contract
27 includes, in at least 12-point boldface type, a checkbox with the
28 following statement: "The law requires that the contractor give
29 you a notice explaining your right to cancel. Initial the checkbox
30 if the contractor has given you a 'Notice of the Three-Day Right
31 to Cancel.'"
32 (vi) The notice shall be accompanied by a completed form in
33 duplicate, captioned "Notice of Cancellation," which also shall be
34 attached to the agreement or offer to purchase and be easily
35 detachable, and which shall contain the following statement written
36 in the same language, e.g., Spanish, as used in the contract:

37
38 "Notice of Cancellation"

39 /enter date of transaction/
40 _____

(Date)

“You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.”

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____,

/name of seller/

at _____

/address of seller’s place of business/

not later than midnight of _____.

(Date)

I hereby cancel this transaction. _____

(Date)

(Buyer’s signature)

(7) (A) The following notice entitled “Seven-Day Right to Cancel” shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the

1 Governor, or for which a local emergency has been declared by
2 the executive officer or governing body of any city, county, or city
3 and county:

4 “Seven-Day Right to Cancel

5 You, the buyer, have the right to cancel this contract within seven
6 business days. You may cancel by e-mailing, mailing, faxing, or
7 delivering a written notice to the contractor at the contractor’s
8 place of business by midnight of the seventh business day after
9 you received a signed and dated copy of the contract that includes
10 this notice. Include your name, your address, and the date you
11 received the signed copy of the contract and this notice.

12 If you cancel, the contractor must return to you anything you
13 paid within 10 days of receiving the notice of cancellation. For
14 your part, you must make available to the contractor at your
15 residence, in substantially as good condition as you received them,
16 goods delivered to you under this contract or sale. Or, you may,
17 if you wish, comply with the contractor’s instructions on how to
18 return the goods at the contractor’s expense and risk. If you do
19 make the goods available to the contractor and the contractor does
20 not pick them up within 20 days of the date of your notice of
21 cancellation, you may keep them without any further obligation.
22 If you fail to make the goods available to the contractor, or if you
23 agree to return the goods to the contractor and fail to do so, then
24 you remain liable for performance of all obligations under the
25 contract.”

26 (B) The “Seven-Day Right to Cancel” notice required by this
27 subdivision shall comply with all of the following:

28 (i) The text of the notice is at least 12-point boldface type.

29 (ii) The notice is in immediate proximity to a space reserved
30 for the owner’s signature.

31 (iii) The owner acknowledges receipt of the notice by signing
32 and dating the notice form in the signature space.

33 (iv) The notice is written in the same language, e.g., Spanish,
34 as that principally used in any oral sales presentation.

35 (v) The notice may be attached to the contract if the contract
36 includes, in at least 12-point boldface type, a checkbox with the
37 following statement: “The law requires that the contractor give
38 you a notice explaining your right to cancel. Initial the checkbox
39 if the contractor has given you a ‘Notice of the Seven-Day Right
40 to Cancel.’”

(vi) The notice shall be accompanied by a completed form in duplicate, captioned “Notice of Cancellation,” which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

“Notice of Cancellation”

/enter date of transaction/

(Date)

“You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.”

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____,

/name of seller/

at _____

/address of seller’s place of business/

not later than midnight of _____.

(Date)

I hereby cancel this transaction. _____

(Date)

(Buyer's signature)

SEC. 5. Section 7159.1 of the Business and Professions Code is amended to read:

7159.1. (a) In any contract for the sale of home improvement goods or services offered by door-to-door sale that contains or is secured by a lien on real property, the contract shall be accompanied by the following notice in 18-point boldfaced type:

“WARNING TO BUYER: IF YOU SIGN THE CONTRACT WHICH ACCOMPANIES THIS NOTICE, YOU WILL BE PUTTING UP YOUR HOME AS SECURITY. THIS MEANS THAT YOUR HOME COULD BE SOLD WITHOUT YOUR PERMISSION AND WITHOUT ANY COURT ACTION IF YOU MISS ANY PAYMENT REQUIRED BY THIS CONTRACT.”

This notice shall be written in the same language as the rest of the contract. It shall be on a separate piece of paper from the rest of the contract and shall be signed and dated by the buyer. The home improvement contractor or home improvement salesperson shall deliver to the buyer at the time of the buyer's signing and dating of the notice a legible copy of the signed and dated notice. A security interest created in any contract described in this section that does not provide the notice as required by this section shall be void and unenforceable.

(b) This section shall not apply to any of the following:

(1) Any contract that is subject to Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

(2) A mechanics lien established pursuant to Chapter 4 (commencing with Section 8400) of Title 2 of Part 6 of Division 4 of the Civil Code.

(3) Any contract that is subject to subdivision (a) of Section 7159.2.

SEC. 6. Section 7159.5 of the Business and Professions Code is amended to read:

7159.5. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, that is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

1 (a) Failure by the licensee or a person subject to be licensed
2 under this chapter, or by his or her agent or salesperson, to comply
3 with the following provisions is cause for discipline:

4 (1) The contract shall be in writing and shall include the agreed
5 contract amount in dollars and cents. The contract amount shall
6 include the entire cost of the contract, including profit, labor, and
7 materials, but excluding finance charges.

8 (2) If there is a separate finance charge between the contractor
9 and the person contracting for home improvement, the finance
10 charge shall be set out separately from the contract amount.

11 (3) If a downpayment will be charged, the downpayment may
12 not exceed one thousand dollars (\$1,000) or 10 percent of the
13 contract amount, whichever is less.

14 (4) If, in addition to a downpayment, the contract provides for
15 payments to be made prior to completion of the work, the contract
16 shall include a schedule of payments in dollars and cents
17 specifically referencing the amount of work or services to be
18 performed and any materials and equipment to be supplied.

19 (5) Except for a downpayment, the contractor may neither
20 request nor accept payment that exceeds the value of the work
21 performed or material delivered.

22 (6) Upon any payment by the person contracting for home
23 improvement, and prior to any further payment being made, the
24 contractor shall, if requested, obtain and furnish to the person a
25 full and unconditional release from any potential lien claimant
26 claim or mechanics lien pursuant to Section 8410 of the Civil Code
27 for any portion of the work for which payment has been made.
28 The person contracting for home improvement may withhold all
29 further payments until these releases are furnished.

30 (7) If the contract provides for a payment of a salesperson's
31 commission out of the contract price, that payment shall be made
32 on a pro rata basis in proportion to the schedule of payments made
33 to the contractor by the disbursing party in accordance with
34 paragraph (4).

35 (8) A contractor furnishing a performance and payment bond,
36 lien and completion bond, or a bond equivalent or joint control
37 approved by the registrar covering full performance and payment
38 is exempt from paragraphs (3), (4), and (5), and need not include,
39 as part of the contract, the statement regarding the downpayment
40 specified in subparagraph (C) of paragraph (8) of subdivision (d)

1 of Section 7159, the details and statement regarding progress
2 payments specified in paragraph (9) of subdivision (d) of Section
3 7159, or the Mechanics Lien Warning specified in paragraph (4)
4 of subdivision (e) of Section 7159. A contractor furnishing these
5 bonds, bond equivalents, or a joint control approved by the registrar
6 may accept payment prior to completion. If the contract provides
7 for a contractor to furnish joint control, the contractor shall not
8 have any financial or other interest in the joint control.

9 (b) A violation of paragraph (1), (3), or (5) of subdivision (a)
10 by a licensee or a person subject to be licensed under this chapter,
11 or by his or her agent or salesperson, is a misdemeanor punishable
12 by a fine of not less than one hundred dollars (\$100) nor more than
13 five thousand dollars (\$5,000), or by imprisonment in a county
14 jail not exceeding one year, or by both that fine and imprisonment.

15 (1) An indictment or information against a person who is not
16 licensed but who is required to be licensed under this chapter shall
17 be brought, or a criminal complaint filed, for a violation of this
18 section, in accordance with paragraph (4) of subdivision (d) of
19 Section 802 of the Penal Code, within four years from the date of
20 the contract or, if the contract is not reduced to writing, from the
21 date the buyer makes the first payment to the contractor.

22 (2) An indictment or information against a person who is
23 licensed under this chapter shall be brought, or a criminal complaint
24 filed, for a violation of this section, in accordance with paragraph
25 (2) of subdivision (d) of Section 802 of the Penal Code, within
26 two years from the date of the contract or, if the contract is not
27 reduced to writing, from the date the buyer makes the first payment
28 to the contractor.

29 (3) The limitations on actions in this subdivision shall not apply
30 to any administrative action filed against a licensed contractor.

31 (c) Any person who violates this section as part of a plan or
32 scheme to defraud an owner or tenant of a residential or
33 nonresidential structure, including a mobilehome or manufactured
34 home, in connection with the offer or performance of repairs to
35 the structure for damage caused by a natural disaster, shall be
36 ordered by the court to make full restitution to the victim based
37 on the person's ability to pay, as defined in subdivision (e) of
38 Section 1203.1b of the Penal Code. In addition to full restitution,
39 and imprisonment authorized by this section, the court may impose
40 a fine of not less than five hundred dollars (\$500) nor more than

1 twenty-five thousand dollars (\$25,000), based upon the defendant's
2 ability to pay. This subdivision applies to natural disasters for
3 which a state of emergency is proclaimed by the Governor pursuant
4 to Section 8625 of the Government Code, or for which an
5 emergency or major disaster is declared by the President of the
6 United States.

7 SEC. 7. Section 7159.14 of the Business and Professions Code
8 is amended to read:

9 7159.14. (a) This section applies to a service and repair
10 contract as defined in Section 7159.10. A violation of this section
11 by a licensee or a person subject to be licensed under this chapter,
12 or by his or her agent or salesperson, is cause for discipline.

13 (1) The contract may not exceed seven hundred fifty dollars
14 (\$750).

15 (2) The contract shall be in writing and shall state the agreed
16 contract amount, which may be stated as either a fixed contract
17 amount in dollars and cents or, if a time and materials formula is
18 used, as an estimated contract amount in dollars and cents.

19 (3) The contract amount shall include the entire cost of the
20 contract including profit, labor, and materials, but excluding
21 finance charges.

22 (4) The actual contract amount of a time and materials contract
23 may not exceed the estimated contract amount without written
24 authorization from the buyer.

25 (5) The prospective buyer must have initiated contact with the
26 contractor to request work.

27 (6) The contractor may not sell the buyer goods or services
28 beyond those reasonably necessary to take care of the particular
29 problem that caused the buyer to contact the contractor.

30 (7) No payment may be due before the project is completed.

31 (8) A service and repair contractor may charge only one service
32 charge. For purposes of this chapter, a service charge includes
33 such charges as a service or trip charge, or an inspection fee.

34 (9) A service and repair contractor charging a service charge
35 must disclose in all advertisements that there is a service charge
36 and, when the customer initiates the call for service, must disclose
37 the amount of the service charge.

38 (10) The service and repair contractor must offer to the customer
39 any parts that were replaced.

1 (11) Upon any payment by the buyer, the contractor shall, if
2 requested, obtain and furnish to the buyer a full and unconditional
3 release from any potential lien claimant claim or mechanics lien
4 pursuant to Section 8410 of the Civil Code for any portion of the
5 work for which payment has been made.

6 (b) A violation of paragraph (1), (2), (3), (4), (5), (6), or (8) of
7 subdivision (a) by a licensee or a person subject to be licensed
8 under this chapter, or by his or her agent or salesperson, is a
9 misdemeanor punishable by a fine of not less than one hundred
10 dollars (\$100) nor more than five thousand dollars (\$5,000), or by
11 imprisonment in a county jail not exceeding one year, or by both
12 that fine and imprisonment.

13 (1) An indictment or information against a person who is not
14 licensed but who is required to be licensed under this chapter shall
15 be brought, or a criminal complaint filed, for a violation of this
16 section, in accordance with paragraph (4) of subdivision (d) of
17 Section 802 of the Penal Code, within four years from the date of
18 the contract or, if the contract is not reduced to writing, from the
19 date the buyer makes the first payment to the contractor.

20 (2) An indictment or information against a person who is
21 licensed under this chapter shall be brought, or a criminal complaint
22 filed, for a violation of this section, in accordance with paragraph
23 (2) of subdivision (d) of Section 802 of the Penal Code, within
24 two years from the date of the contract or, if the contract is not
25 reduced to writing, from the date the buyer makes the first payment
26 to the contractor.

27 (3) The limitations on actions in this subdivision shall not apply
28 to any administrative action filed against a licensed contractor.

29 (c) Any person who violates this section as part of a plan or
30 scheme to defraud an owner or tenant of a residential or
31 nonresidential structure, including a mobilehome or manufactured
32 home, in connection with the offer or performance of repairs to
33 the structure for damage caused by a natural disaster, shall be
34 ordered by the court to make full restitution to the victim based
35 on the person's ability to pay, as defined in subdivision (e) of
36 Section 1203.1b of the Penal Code. In addition to full restitution,
37 and imprisonment authorized by this section, the court may impose
38 a fine of not less than five hundred dollars (\$500) nor more than
39 twenty-five thousand dollars (\$25,000), based upon the defendant's
40 ability to pay. This subdivision applies to natural disasters for

1 which a state of emergency is proclaimed by the Governor pursuant
2 to Section 8625 of the Government Code, or for which an
3 emergency or major disaster is declared by the President of the
4 United States.

5 SEC. 8. Section 7164 of the Business and Professions Code is
6 amended to read:

7 7164. (a) Notwithstanding Section 7044, every contract and
8 any changes in a contract, between an owner and a contractor, for
9 the construction of a single-family dwelling to be retained by the
10 owner for at least one year shall be evidenced in writing signed
11 by both parties.

12 (b) The writing shall contain the following:

13 (1) The name, address, and license number of the contractor.

14 (2) The approximate dates when the work will begin and be
15 substantially completed.

16 (3) A legal description of the location where the work will be
17 done.

18 (4) A statement with the heading “Mechanics Lien Warning”
19 as follows:

20 “MECHANICS LIEN WARNING:

21 Anyone who helps improve your property, but who is not paid,
22 may record what is called a mechanics lien on your property. A
23 mechanics lien is a claim, like a mortgage or home equity loan,
24 made against your property and recorded with the county recorder.

25 Even if you pay your contractor in full, unpaid subcontractors,
26 suppliers, and laborers who helped to improve your property may
27 record mechanics liens and sue you in court to foreclose the lien.
28 If a court finds the lien is valid, you could be forced to pay twice
29 or have a court officer sell your home to pay the lien. Liens can
30 also affect your credit.

31 To preserve their right to record a lien, each subcontractor and
32 material supplier must provide you with a document called a
33 ‘Preliminary Notice.’ This notice is not a lien. The purpose of the
34 notice is to let you know that the person who sends you the notice
35 has the right to record a lien on your property if he or she is not
36 paid.

37 BE CAREFUL. The Preliminary Notice can be sent up to 20
38 days after the subcontractor starts work or the supplier provides
39 material. This can be a big problem if you pay your contractor
40 before you have received the Preliminary Notices.

1 You will not get Preliminary Notices from your prime contractor
2 or other persons you contract with directly or from laborers who
3 work on your project. The law assumes that you already know
4 they are improving your property.

5 PROTECT YOURSELF FROM LIENS. You can protect
6 yourself from liens by getting a list from your contractor of all the
7 subcontractors and material suppliers that work on your project.
8 Find out from your contractor when these subcontractors started
9 work and when these suppliers delivered goods or materials. Then
10 wait 20 days, paying attention to the Preliminary Notices you
11 receive.

12 PAY WITH JOINT CHECKS. One way to protect yourself is
13 to pay with a joint check. When your contractor tells you it is time
14 to pay for the work of a subcontractor or supplier who has provided
15 you with a Preliminary Notice, write a joint check payable to both
16 the contractor and the subcontractor or material supplier.

17 For other ways to prevent liens, visit CSLB's Web site at
18 www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

19 REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING
20 A LIEN PLACED ON YOUR HOME. This can mean that you
21 may have to pay twice, or face the forced sale of your home to pay
22 what you owe."

23 (5) (A) A statement prepared by the board through regulation
24 that emphasizes the value of commercial general liability insurance
25 and encourages the owner to verify the contractor's insurance
26 coverage and status.

27 (B) A check box indicating whether or not the contractor carries
28 commercial general liability insurance, and if that is the case, the
29 name and the telephone number of the insurer.

30 (c) The writing may also contain other matters agreed to by the
31 parties to the contract. The writing shall be legible and shall clearly
32 describe any other document which is to be incorporated into the
33 contract. Prior to commencement of any work, the owner shall be
34 furnished a copy of the written agreement, signed by the contractor.
35 The provisions of this section are not exclusive and do not relieve
36 the contractor from compliance with all other applicable provisions
37 of law.

38 (d) Every contract subject to the provisions of this section shall
39 contain, in close proximity to the signatures of the owner and
40 contractor, a notice in at least 10-point ~~bold~~ *boldface* type or in all

1 capital letters, stating that the owner has the right to require the
2 contractor to have a performance and payment bond and that the
3 expense of the bond may be borne by the owner.

4 (e) The requirements in paragraph (5) of subdivision (b) shall
5 become operative three months after the board adopts the
6 regulations referenced in subparagraph (A) of paragraph (5) of
7 subdivision (b).

8 (f) This section shall become operative on January 1, 2006.

9 SEC. 9. Section 8513 of the Business and Professions Code is
10 amended to read:

11 8513. (a) The board shall prescribe a form entitled “Notice to
12 Owner” that shall describe, in nontechnical language and in a clear
13 and coherent manner using words with common and everyday
14 meaning, the pertinent provisions of this state’s mechanics’ lien
15 laws and the rights and responsibilities of an owner of property
16 and a registered pest control company thereunder. Each company
17 registered under this chapter, prior to entering into a contract with
18 an owner for work for which a company registration is required,
19 shall give a copy of this “Notice to Owner” to the owner, his or
20 her agent, or the payer.

21 (b) No company that is required to be registered under this
22 chapter shall require or request a waiver of lien rights from any
23 subcontractor, employee, or supplier.

24 (c) Each company registered under this chapter that acts as a
25 subcontractor for another company registered under this chapter
26 shall, within 20 days of commencement of any work for which a
27 company registration is required, give the preliminary notice in
28 accordance with Chapter 2 (commencing with Section 8200) of
29 *Title 2* of Part 6 of Division 4 of the Civil Code, to the owner, his
30 or her agent, or the payer.

31 (d) Each company registered under this chapter that acts as a
32 prime contractor for work for which a company registration is
33 required shall, prior to accepting payment for the work, furnish to
34 the owner, his or her agent, or the payer a full and unconditional
35 release from any claim of mechanics’ lien by any subcontractor
36 entitled to enforce a mechanics’ lien pursuant to Section 8172 of
37 the Civil Code.

38 (e) Each company registered under this chapter that subcontracts
39 to another company registered under this chapter work for which

1 a company registration is required shall furnish to the subcontractor
2 the name of the owner, his or her agent, or the payer.

3 (f) The provisions of this section shall be applicable only to
4 those registered companies, as defined in Section 8506.1, operating
5 pursuant to a Branch 1 or Branch 3 registration.

6 (g) A violation of the provisions of this section is a ground for
7 disciplinary action.

8 SEC. 10. Section 17577.5 of the Business and Professions
9 Code is amended to read:

10 17577.5. (a) No contract or offer for the sale, lease, or rental
11 of a home water treatment device and no purchase money loan, as
12 defined in subdivision (b), shall provide for a lien on real property.
13 Any lien taken in violation of this section is void and
14 unenforceable.

15 (b) For the purpose of this section, “purchase money loan”
16 means a loan or an advance under an open-end credit account if
17 both of the following occur:

18 (1) The primary purpose of the loan or the primary purpose of
19 establishing the open-end credit account is to finance all or a
20 portion of the purchase price or any of the lease or rental payments
21 for a water treatment device.

22 (2) The creditor knows the primary purpose of the loan or the
23 primary purpose of establishing the open-end credit account when
24 the loan is initially made or the open-end credit account is
25 established.

26 (c) The creditor shall be deemed to know that the primary
27 purpose of the loan or the primary purpose of establishing the
28 open-end credit account is the primary purpose described in
29 paragraph (1) of subdivision (b) if any of the following occur:

30 (1) The consumer’s application for credit or any other document
31 in the creditor’s possession before the loan is made or the open-end
32 account is established indicates the primary purpose of the loan
33 or the open-end credit account.

34 (2) The seller, lessor, or renter arranges or guarantees the loan
35 or open-end account, or participates in the preparation of the
36 consumer’s application for credit or other loan documents, or
37 receives from the creditor a loan commission, brokerage, or referral
38 fee.

1 (d) For the purpose of this section, “open-end credit” has the
2 same meaning as used in Section 226.2 of Title 12 of the Code of
3 Federal Regulations.

4 (e) This section does not apply to mechanics liens established
5 pursuant to Chapter 4 (commencing with Section 8400) of *Title 2*
6 of Part 6 of Division 4 of the Civil Code.

7 SEC. 11. Section 1917.166 of the Civil Code is amended to
8 read:

9 1917.166. The lien of a shared appreciation loan, including the
10 principal amount and all interest, whether accrued or to be accrued,
11 and all amounts of contingent deferred interest, shall attach from
12 the time of the recordation of the deed of trust securing the loan,
13 and the lien, including the lien of the interest accrued or to be
14 accrued and of the contingent deferred interest, shall have priority
15 over any other lien or encumbrance affecting the property secured
16 by the shared appreciation instrument, recorded after the time of
17 recordation of the shared appreciation instrument. However,
18 nothing in this section or Section 1917.165 shall preclude a junior
19 lien or encumbrance subordinate to the obligation of the shared
20 appreciation loan. In no case may a junior lien achieve priority
21 over the lien securing the obligation of the shared appreciation
22 loan, provided that nothing in this section shall be construed to
23 supersede Section 8450.

24 SEC. 12. Section 1917.615 of the Civil Code is amended to
25 read:

26 1917.615. The lien of a shared appreciation loan for seniors,
27 including the total loan obligation, shall attach from the time of
28 the recordation of the deed of trust securing the loan, and the lien,
29 including the lien of the total loan obligation accrued or to be
30 accrued, shall have priority over any other lien or encumbrance
31 affecting the property secured by the shared appreciation instrument
32 and recorded after the time of recordation of the shared appreciation
33 instrument. However, nothing in this section or Section 1917.614
34 shall preclude a junior lien or encumbrance subordinate to the total
35 loan obligation of the shared appreciation loan for seniors. In no
36 case may a junior lien achieve priority over the lien securing the
37 total loan obligation of the shared appreciation loan, provided that
38 nothing in this section shall be construed to supersede Section
39 8450.

40 SEC. 13. Section 3059 of the Civil Code is amended to read:

1 3059. The liens of mechanics, for materials and services upon
2 real property, are regulated by Chapter 4 (commencing with Section
3 8400) of *Title 2* of Part 6 of Division 4.

4 SEC. 14. Section 3060 of the Civil Code is amended to read:

5 3060. (a) As used in this section, “mine” means a mining claim
6 or real property worked on as a mine.

7 (b) Any person who performs labor in a mine, either in its
8 development or in working on it by the subtractive process, or
9 furnishes materials to be used or consumed in it, has a lien upon
10 the mine and the works owned and used by the owners for milling
11 or reducing the ores from the mine, for the value of the work or
12 labor done or materials furnished by each, whether done or
13 furnished at the instance of the owner of the mine, or the owner’s
14 agent, and every contractor, subcontractor, superintendent, or other
15 person having charge of any mining or work or labor performed
16 in and about the mine, either as lessee or under a working bond or
17 contract thereon shall be held to be the agent of the owner for the
18 purposes of this section. The liens provided for by this section
19 shall be enforced in the same manner as those provided for by Part
20 6 (commencing with Section 8000) of Division 4.

21 SEC. 15. Chapter 8 (commencing with Section 3081.1) of Title
22 14 of Part 4 of Division 3 of the Civil Code is repealed.

23 SEC. 16. Title 15 (commencing with Section 3082) of Part 4
24 of Division 3 of the Civil Code is repealed.

25 SEC. 17. Section 3319 of the Civil Code is amended to read:

26 3319. (a) In each written contract for private works of
27 improvement entered into on or after January 1, 1996, the
28 contracting party and the design professional may agree to
29 contractual provisions that include a late payment penalty, in lieu
30 of any interest otherwise due. The terms of the late payment penalty
31 shall be specifically set forth in the written contract.

32 (b) The penalty authorized pursuant to subdivision (a) shall be
33 separate from, and in addition to, the design professionals liens
34 provided by Chapter 3 (commencing with Section 8300) of *Title*
35 2 of Part 6 of Division 4, mechanics liens provided by Chapter 4
36 (commencing with Section 8400) of *Title 2* of Part 6 of Division
37 4, and stop payment notices provided by Chapter 5 (commencing
38 with Section 8500) of *Title 2* of Part 6 of Division 4.

39 (c) None of the rights or obligations created or permitted by this
40 section between design professionals and contracting parties shall

1 apply to construction loan funds held by a lender pursuant to a
2 construction loan agreement.

3 (d) For purposes of this section, the following definitions apply:

4 (1) “Contracting party” means any person or entity entering into
5 a written contract with a design professional for professional design
6 services for a private work of improvement.

7 (2) “Design professional” means a person licensed as an
8 architect pursuant to Chapter 3 (commencing with Section 5500)
9 of Division 3 of the Business and Professions Code, registered as
10 a professional engineer pursuant to Chapter 7 (commencing with
11 Section 6700) of Division 3 of the Business and Professions Code,
12 or licensed as a land surveyor pursuant to Chapter 15 (commencing
13 with Section 8700) of Division 3 of the Business and Professions
14 Code.

15 SEC. 18. Section 3320 of the Civil Code is amended to read:

16 3320. (a) In each contract for public works of improvement,
17 entered into on or after January 1, 1996, the public agency shall
18 pay to the prime design professional any progress payment within
19 30 days of receipt of a written demand for payment in accordance
20 with the contract, and the final retention payment within 45 days
21 of receipt of a written demand for payment in accordance with the
22 contract. If the public agency disputes in good faith any portion
23 of the amount due, it may withhold from the payment an amount
24 not to exceed 150 percent of the disputed amount. The disputed
25 amount withheld is not subject to any penalty authorized by this
26 section.

27 (b) If any amount is wrongfully withheld or is not timely paid
28 in violation of this section, the prime design professional shall be
29 entitled to a penalty of 1 ½ percent for the improperly withheld
30 amount, in lieu of any interest otherwise due, per month for every
31 month that payment is not made. In any action for the collection
32 of amounts withheld in violation of this section, the prevailing
33 party is entitled to his or her reasonable attorney’s fees and costs.

34 (c) The penalty described in subdivision (b) is separate from,
35 and in addition to, the design professionals’ remedies for a public
36 ~~works contract provided in Title 2 (commencing with Section~~
37 ~~9000) professionals liens provided by Chapter 3 (commencing~~
38 ~~with Section 8300) of Title 2 of Part 6 of Division 4, mechanics~~
39 ~~liens provided by Chapter 4 (commencing with Section 8400) of~~
40 ~~Title 2 of Part 6 of Division 4, and stop payment notices on public~~

1 *works provided by Chapter 4 (commencing with Section 9350) of*
2 *Title 3 of Part 6 of Division 4.*

3 (d) This section does not apply to state agency contracts subject
4 to Section 927.6 of the Government Code.

5 (e) None of the rights or obligations created by this section
6 between prime design professionals and public agencies apply to
7 construction loan funds held by a lender pursuant to a construction
8 loan agreement.

9 (f) For purposes of this section:

10 (1) "Public agency" means the state, any county, any city, any
11 city and county, any district, any public authority, any public
12 agency, any municipal corporation, or other political subdivision
13 or political corporation of the state.

14 (2) "Design professional" means a person licensed as an
15 architect pursuant to Chapter 3 (commencing with Section 5500)
16 of Division 3 of the Business and Professions Code, registered as
17 a professional engineer pursuant to Chapter 7 (commencing with
18 Section 6700) of Division 3 of the Business and Professions Code,
19 or licensed as a land surveyor pursuant to Chapter 15 (commencing
20 with Section 8700) of Division 3 of the Business and Professions
21 Code.

22 (3) "Prime design professional" means a design professional
23 with a written contract directly with the public agency.

24 SEC. 19. Section 3321 of the Civil Code is amended to read:

25 3321. (a) In each contract for public works of improvement,
26 a prime design professional shall pay to each subconsultant design
27 professional the amount due him or her from the payment received,
28 not later than 15 days after receipt of each progress payment or
29 final retention payment. If the prime design professional disputes
30 in good faith any portion of the amount due, he or she may
31 withhold from the payment an amount not to exceed 150 percent
32 of the disputed amount. The disputed amount withheld shall not
33 be subject to any penalty authorized by this section.

34 (b) If any amount is wrongfully withheld or is not timely paid
35 in violation of this section, the subconsultant design professional
36 shall be entitled to a penalty of 1 ½ percent of the improperly
37 withheld amount, in lieu of any interest otherwise due, per month,
38 for each month that payment is not made. In any action for the
39 collection of amounts withheld in violation of this section, the

1 prevailing party shall be entitled to his or her reasonable attorney's
2 fees and costs.

3 (c) The penalty described in subdivision (b) shall be separate
4 from, and in addition to, the design professionals' remedies for a
5 ~~public works contract provided in Title 2 (commencing with~~
6 ~~Section 9000)~~ *professionals liens provided by Chapter 3*
7 *(commencing with Section 8300) of Title 2 of Part 6 of Division*
8 *4, mechanics liens provided by Chapter 4 (commencing with*
9 *Section 8400) of Title 2 of Part 6 of Division 4, and stop payment*
10 *notices on public works provided by Chapter 4 (commencing with*
11 *Section 9350) of Title 3 of Part 6 of Division 4.*

12 (d) None of the rights or obligations created by this section
13 between prime design professionals and subconsultant design
14 professionals shall apply to construction loan funds held by a lender
15 pursuant to a construction loan agreement.

16 (e) For purposes of this section:

17 (1) "Public agency" means the state, any county, any city, any
18 city and county, any district, any public authority, any public
19 agency, any municipal corporation, or other political subdivision
20 or political corporation of the state.

21 (2) "Design professional" means a person licensed as an
22 architect pursuant to Chapter 3 (commencing with Section 5500)
23 of Division 3 of the Business and Professions Code, registered as
24 a professional engineer pursuant to Chapter 7 (commencing with
25 Section 6700) of Division 3 of the Business and Professions Code,
26 or licensed as a land surveyor pursuant to Chapter 15 (commencing
27 with Section 8700) of Division 3 of the Business and Professions
28 Code.

29 (3) "Prime design professional" means a design professional
30 having a written contract directly with the public agency.

31 (4) "Subconsultant design professional" means a design
32 professional having a written contract with a prime design
33 professional.

34 *SEC. 19.5. The heading of Part 8 (commencing with Section*
35 *7100) of Division 4 of the Civil Code is amended to read:*
36

37 **PART 8-5.5. AUTOMATIC CHECKOUT SYSTEM**
38

39 **SEC. 20.** Part 6 (commencing with Section 8000) is added to
40 Division 4 of the Civil Code, to read:

PART 6. WORKS OF IMPROVEMENT

~~TITLE 1. PRIVATE WORK OF IMPROVEMENT~~

~~CHAPTER 1. DEFINITIONS AND GENERAL PROVISIONS~~

~~Article 1. Definitions~~

8000. ~~Unless the provision or context otherwise requires, the definitions in this article govern the construction of this title.~~

8002. ~~“Claimant” means a person that has a right under this title to record a claim of lien, give a stop payment notice, or assert a claim against a payment bond.~~

8006. ~~“Construction lender” means either of the following:~~

(a) ~~A mortgagee or beneficiary under a deed of trust lending funds for payment of construction costs for all or part of a work of improvement, or the assignee or successor in interest of the mortgagee or beneficiary.~~

(b) ~~An escrow holder or other person holding funds provided by an owner, lender, or another person as a fund for payment of construction costs for all or part of a work of improvement.~~

8008. ~~“Contract” means an agreement that provides for all or part of a work of improvement. The term includes a contract change.~~

8010. ~~“Contract price” means the price agreed to in a direct contract for a work of improvement, including a contract change. If the parties have not agreed to a price for the work of improvement, the contract price is the reasonable value of the work provided for the work of improvement.~~

8011. ~~“Contractor” includes a direct contractor, subcontractor, or both.~~

8012. ~~“Design professional” means a person licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, or licensed as a land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the~~

1 Business and Professions Code who provides services pursuant to
2 a written contract with a landowner for the design, engineering,
3 or planning of a work of improvement.

4 8013. “Direct contract” means a contract between an owner
5 and a direct contractor that provides for all or part of a work of
6 improvement. The term includes a contract change.

7 8014. “Direct contractor” means a contractor that has a direct
8 contractual relationship with an owner. A reference in another
9 statute to a “prime contractor” in connection with the provisions
10 in this title means a “direct contractor.”

11 8016. A person “knows” or “has knowledge” of information
12 if the person knows or should have known that information.

13 8018. “Labor, service, equipment, or material” includes, but
14 is not limited to, labor, skills, services, material, supplies,
15 equipment, appliances, power, and surveying provided for a work
16 of improvement.

17 8020. (a) “Laborer” means a person who, acting as an
18 employee, performs labor, or bestows skill or other necessary
19 services, on a work of improvement.

20 (b) “Laborer” includes a person or entity to which a portion of
21 a laborer’s compensation for a work of improvement, including,
22 but not limited to, employer payments described in Section 1773.1
23 of the Labor Code and implementing regulations, is paid by
24 agreement with that laborer or the collective bargaining agent of
25 that laborer.

26 (c) A person or entity described in subdivision (b) that has
27 standing under applicable law to maintain a direct legal action, in
28 its own name or as an assignee, to collect any portion of
29 compensation owed for a laborer for a work of improvement, shall
30 have standing to enforce any rights or claims of the laborer under
31 this title, to the extent of the compensation agreed to be paid to
32 the person or entity for labor on that improvement. This subdivision
33 is intended to give effect to the longstanding public policy of this
34 state to protect the entire compensation of a laborer on a work of
35 improvement, regardless of the form in which that compensation
36 is to be paid.

37 8022. “Lending institution” includes a commercial bank,
38 savings and loan institution, credit union, or other organization or
39 person engaged in the business of financing loans.

1 ~~8024. “Lien” means a lien under this title and includes a lien~~
2 ~~of a design professional under Section 8302, a lien for a work of~~
3 ~~improvement under Section 8400, and a lien for a site improvement~~
4 ~~under Section 8402.~~

5 ~~8026. “Material supplier” means a person that provides material~~
6 ~~or supplies to be used or consumed in a work of improvement.~~

7 ~~8028. “Owner” means:~~

8 ~~(a) With respect to a work of improvement, a person that~~
9 ~~contracts for the work of improvement.~~

10 ~~(b) With respect to property on which a work of improvement~~
11 ~~is situated or planned, a person that owns the fee or a lesser interest~~
12 ~~in the property, including, but not limited to, an interest as lessee~~
13 ~~or as vendee under a contract of purchase.~~

14 ~~(c) A successor in interest of a person described in subdivision~~
15 ~~(a) or (b).~~

16 ~~8030. “Payment bond” means a bond given under Chapter 6~~
17 ~~(commencing with 8600).~~

18 ~~8032. “Person” means an individual, corporation, public entity,~~
19 ~~business trust, estate, trust, partnership, limited liability company,~~
20 ~~association, or other entity.~~

21 ~~8034. “Preliminary notice” means the notice provided for in~~
22 ~~Chapter 2 (commencing with Section 8200).~~

23 ~~8036. “Public entity” means the state, Regents of the University~~
24 ~~of California, a county, city, district, public authority, public~~
25 ~~agency, and any other political subdivision or public corporation~~
26 ~~in the state.~~

27 ~~8038. (a) “Reputed construction lender” means a person that~~
28 ~~a claimant reasonably and in good faith believes is a construction~~
29 ~~lender.~~

30 ~~(b) “Reputed direct contractor” means a person that a claimant~~
31 ~~reasonably and in good faith believes is a direct contractor.~~

32 ~~(c) “Reputed owner” means a person that a claimant reasonably~~
33 ~~and in good faith believes is an owner.~~

34 ~~8040. “Site” means the property on which a work of~~
35 ~~improvement is situated or planned.~~

36 ~~8042. “Site improvement” means any of the following work~~
37 ~~on property:~~

38 ~~(a) Demolition or removal of improvements, trees, or other~~
39 ~~vegetation.~~

40 ~~(b) Drilling test holes.~~

~~(e) Grading, filling, or otherwise improving the property or a street, highway, or sidewalk in front of or adjoining the property.~~

~~(d) Construction or installation of sewers or other public utilities.~~

~~(e) Construction of areas, vaults, cellars, or rooms under sidewalks.~~

~~(f) Any other work or improvements in preparation of the site for a work of improvement.~~

8044. ~~(a) “Stop payment notice” means the notice given under Chapter 5 (commencing with Section 8500). A reference in another statute to a “stop notice” in connection with the remedies provided in this title means a stop payment notice.~~

~~(b) A stop payment notice may be bonded or unbonded. A “bonded stop payment notice” is a notice given with a bond under Section 8532. An “unbonded stop payment notice” is a notice not given with a bond under Section 8532.~~

~~(c) Except to the extent this title distinguishes between a bonded and an unbonded stop payment notice, a reference in this title to a stop payment notice includes both a bonded and an unbonded notice.~~

8046. ~~“Subcontractor” means a contractor that does not have a direct contractual relationship with an owner. The term includes a contractor that has a contractual relationship with a direct contractor or with another subcontractor.~~

8048. ~~“Work” means labor, service, equipment, or material provided to a work of improvement.~~

8050. ~~(a) “Work of improvement” includes, but is not limited to:~~

~~(1) Construction, alteration, repair, demolition, or removal, in whole or in part, of, or addition to, a building, wharf, bridge, ditch, flume, aqueduct, well, tunnel, fence, machinery, railroad, or road.~~

~~(2) Seeding, sodding, or planting of property for landscaping purposes.~~

~~(3) Filling, leveling, or grading of property.~~

~~(b) Except as otherwise provided in this title, “work of improvement” means the entire structure or scheme of improvement as a whole, and includes site improvement.~~

~~Article 2. Miscellaneous Provisions~~

8051. ~~(a) This title is operative on January 1, 2012.~~

1 ~~(b) Except as otherwise provided in this section, this title applies~~
2 ~~to a contract for a work of improvement executed before, on, or~~
3 ~~after the operative date.~~

4 ~~(c) The effectiveness of a notice given or other action taken on~~
5 ~~a work of improvement before the operative date is governed by~~
6 ~~the applicable law in effect before the operative date and not by~~
7 ~~this title.~~

8 ~~(d) A provision of this title, insofar as it is substantially the same~~
9 ~~as a previously existing provision relating to the same subject~~
10 ~~matter, shall be construed as a restatement and continuation thereof~~
11 ~~and not as a new enactment.~~

12 ~~8052. This title applies only to a work of improvement that is~~
13 ~~not governed by Title 2 (commencing with Section 9000) of this~~
14 ~~part.~~

15 ~~8054. Except as otherwise provided in this title, Part 2~~
16 ~~(commencing with Section 307) of the Code of Civil Procedure~~
17 ~~provides the rules of practice in proceedings under this title.~~

18 ~~8056. For purposes of this title, “day” means a calendar day.~~

19 ~~8058. (a) If this title provides for filing a contract, plan, or~~
20 ~~other paper with the county recorder, the provision is satisfied by~~
21 ~~filing the paper in the office of the county recorder of the county~~
22 ~~in which the work of improvement or part of it is situated.~~

23 ~~(b) If this title provides for recording a notice, claim of lien,~~
24 ~~release of lien, payment bond, or other paper, the provision is~~
25 ~~satisfied by filing the paper for record in the office of the county~~
26 ~~recorder of the county in which the work of improvement or part~~
27 ~~of it is situated.~~

28 ~~(c) The county recorder shall number, index, and preserve a~~
29 ~~contract, plan, or other paper presented for filing under this title;~~
30 ~~and shall number, index, and transcribe into the official records,~~
31 ~~in the same manner as a conveyance of real property, a notice,~~
32 ~~claim of lien, payment bond, or other paper recorded under this~~
33 ~~title.~~

34 ~~(d) The county recorder shall charge and collect the fees~~
35 ~~provided in Article 5 (commencing with Section 27360) of Chapter~~
36 ~~6 of Part 3 of Division 2 of Title 3 of the Government Code for~~
37 ~~performing duties under this section.~~

38 ~~8060. No act of an owner in good faith and in compliance with~~
39 ~~a provision of this title shall be construed to prevent a direct~~

1 contractor's performance of the contract, or exonerate a surety on
2 a performance or payment bond.

3 ~~8062. An owner may give a notice or execute or file a document~~
4 ~~under this title on behalf of a co-owner if the owner acts on the~~
5 ~~co-owner's behalf and includes in the notice or document the name~~
6 ~~and address of the co-owner on whose behalf the owner acts.~~

7 ~~8064. An act that may be done by or to a person under this title~~
8 ~~may be done by or to the person's agent to the extent the act is~~
9 ~~within the scope of the agent's authority.~~

10 ~~8066. (a) This title does not apply to a transaction governed~~
11 ~~by the Oil and Gas Lien Act, Chapter 2.5 (commencing with~~
12 ~~Section 1203.50) of Title 4 of Part 3 of the Code of Civil~~
13 ~~Procedure.~~

14 ~~(b) This title does not apply to or change improvement security~~
15 ~~under the Subdivision Map Act, Division 2 (commencing with~~
16 ~~Section 66410) of Title 7 of the Government Code.~~

17 ~~(c) This title does not apply to a transaction governed by~~
18 ~~Sections 20457 to 20464, inclusive, of the Public Contract Code.~~

19
20 Article 3. Notice
21

22 ~~8100. (a) Notice under this title shall be in writing.~~

23 ~~(b) Written notice under this title may be given by electronic~~
24 ~~communication to the extent authorized under Section 8112.~~

25 ~~8102. (a) Notice under this title shall, in addition to any other~~
26 ~~information required by statute for that type of notice, include all~~
27 ~~of the following information to the extent known to the person~~
28 ~~giving the notice:~~

29 ~~(1) The name and address of the owner or reputed owner.~~

30 ~~(2) The name and address of the direct contractor.~~

31 ~~(3) The name and address of the construction lender, if any.~~

32 ~~(4) A description of the site sufficient for identification;~~
33 ~~including the street address of the site, if any. If a sufficient legal~~
34 ~~description of the site is given, the effectiveness of the notice is~~
35 ~~not affected by the fact that the street address is erroneous or is~~
36 ~~omitted.~~

37 ~~(5) The name, address, and relationship to the parties of the~~
38 ~~person giving the notice.~~

39 ~~(6) If the person giving the notice is a claimant:~~

40 ~~(A) A general statement of the work provided.~~

1 ~~(B) The name of the person to or for whom the work is provided.~~

2 ~~(C) A statement or estimate of the claimant's demand, if any,~~
3 ~~after deducting all just credits and offsets.~~

4 ~~(b) Notice is not invalid by reason of any variance from the~~
5 ~~requirements of this section if the notice is sufficient to~~
6 ~~substantially inform the person given notice of the information~~
7 ~~required by this section and other information required in the~~
8 ~~notice.~~

9 ~~8104. (a) A direct contractor or subcontractor that employs a~~
10 ~~laborer and fails to pay the full compensation due the laborer,~~
11 ~~including any employer payments described in Section 1773.1 of~~
12 ~~the Labor Code and implementing regulations, shall not later than~~
13 ~~the date the compensation became delinquent, give the laborer,~~
14 ~~the laborer's bargaining representative, if any, the construction~~
15 ~~lender or reputed construction lender, if any, and the owner or~~
16 ~~reputed owner, notice that includes all of the following information,~~
17 ~~in addition to the information required by Section 8102:~~

18 ~~(1) The name and address of the laborer, and of any person or~~
19 ~~entity described in subdivision (b) of Section 8020 to which~~
20 ~~employer payments are due.~~

21 ~~(2) The total number of straight time and overtime hours worked~~
22 ~~by the laborer on each job.~~

23 ~~(3) The amount then past due and owing.~~

24 ~~(b) Failure to give the notice required by subdivision (a)~~
25 ~~constitutes grounds for disciplinary action under the Contractors'~~
26 ~~State License Law, Chapter 9 (commencing with Section 7000)~~
27 ~~of Division 3 of the Business and Professions Code.~~

28 ~~8106. Except as otherwise provided by statute, notice under~~
29 ~~this title shall be given by any of the following means:~~

30 ~~(a) Personal delivery.~~

31 ~~(b) Mail in the manner provided in Section 8110.~~

32 ~~(c) Leaving the notice and mailing a copy in the manner~~
33 ~~provided in Section 415.20 of the Code of Civil Procedure for~~
34 ~~service of summons and complaint in a civil action.~~

35 ~~8108. Except as otherwise provided by this part, notice under~~
36 ~~this title shall be given to the person to be notified at the person's~~
37 ~~residence, the person's place of business, or at any of the following~~
38 ~~addresses:~~

1 (a) If the person to be notified is an owner, the owner's address
2 shown on the direct contract, the building permit, or a construction
3 trust deed.

4 (b) If the person to be notified is a construction lender, the
5 construction lender's address shown on the construction loan
6 agreement or construction trust deed.

7 (c) If the person to be notified is a direct contractor or a
8 subcontractor, the contractor's address shown on the building
9 permit, on the contractor's contract, or on the records of the
10 Contractors' State License Board.

11 (d) If the person to be notified is a claimant, the claimant's
12 address shown on the claimant's contract, preliminary notice, claim
13 of lien, stop payment notice, or claim against a payment bond, or
14 on the records of the Contractors' State License Board.

15 (e) If the person to be notified is a surety on a bond, the surety's
16 address shown on the bond for service of notices, papers, and other
17 documents, or on the records of the Department of Insurance.

18 8110. Except as otherwise provided by this title, notice by mail
19 under this title shall be given by registered or certified mail, express
20 mail, or overnight delivery by an express service carrier.

21 8112. (a) As used in this section, "electronic record" has the
22 meaning provided in Section 1633.2.

23 (b) A notice under this title may be given to a person in the form
24 of an electronic record if the person has agreed in writing to receive
25 the notice in the form of an electronic record.

26 (c) If a person that has agreed to receive a notice in the form of
27 an electronic record is a consumer within the meaning of Section
28 7006 of Title 15 of the United States Code, the person's agreement
29 shall satisfy the requirements of Section 7001 of Title 15 of the
30 United States Code relating to consumer consent to an electronic
31 record.

32 8114. A notice required by this title to be posted shall be
33 displayed in a conspicuous location at the site and at the main
34 office of the site, if one exists.

35 8116. Notice under this title is complete and deemed to have
36 been given at the following times:

37 (a) If given by personal delivery, when delivered.

38 (b) If given by mail, when deposited in the mail or with an
39 express service carrier in the manner provided in Section 1013 of
40 the Code of Civil Procedure.

1 ~~(c) If given by leaving the notice and mailing a copy in the~~
2 ~~manner provided in Section 415.20 of the Code of Civil Procedure~~
3 ~~for service of summons in a civil action, five days after mailing.~~

4 ~~(d) If given by posting, when displayed.~~

5 ~~(e) If given by recording, when recorded in the office of the~~
6 ~~county recorder.~~

7 ~~(f) If given in the form of an electronic record, when the~~
8 ~~electronic record is transmitted.~~

9 ~~8118. (a) Proof that notice was given to a person in the manner~~
10 ~~required by this title shall be made by a proof of notice declaration~~
11 ~~that states all of the following:~~

12 ~~(1) The type or description of the notice given.~~

13 ~~(2) The date, place, and manner of notice, and facts showing~~
14 ~~that notice was given in the manner required by statute.~~

15 ~~(3) The name and address of the person to which notice was~~
16 ~~given, and, if appropriate, the title or capacity in which the person~~
17 ~~was given notice.~~

18 ~~(b) If the notice is given by mail, the declaration shall be~~
19 ~~accompanied by one of the following:~~

20 ~~(1) Documentation provided by the United States Postal Service~~
21 ~~showing that payment was made to mail the notice using registered~~
22 ~~or certified mail, or express mail.~~

23 ~~(2) Documentation provided by an express service carrier~~
24 ~~showing that payment was made to send the notice using an~~
25 ~~overnight delivery service.~~

26 ~~(3) A return receipt, delivery confirmation, signature~~
27 ~~confirmation, tracking record, or other proof of delivery or~~
28 ~~attempted delivery provided by the United States Postal Service,~~
29 ~~or a photocopy of the record of delivery and receipt maintained~~
30 ~~by the United States Postal Service, showing the date of delivery~~
31 ~~and to whom delivered, or in the event of nondelivery, by the~~
32 ~~returned envelope itself.~~

33 ~~(4) A tracking record or other documentation provided by an~~
34 ~~express service carrier showing delivery or attempted delivery of~~
35 ~~the notice.~~

36 ~~(e) If notice is given in the form of an electronic record, the~~
37 ~~declaration shall also state that the document was served~~
38 ~~electronically and that no notice of nontransmission was received,~~
39 ~~and shall be accompanied by the recipient's written agreement to~~
40 ~~receive the notice in the form of an electronic record.~~

1 *TITLE 1. WORKS OF IMPROVEMENT GENERALLY*

2
3 *CHAPTER 1. GENERAL PROVISIONS*

4
5 *Article 1. Definitions*

6
7 8000. *Unless the provision or context otherwise requires, the*
8 *definitions in this article govern the construction of this title.*

9 8002. *“Admitted surety insurer” has the meaning provided in*
10 *Section 995.120 of the Code of Civil Procedure.*

11 8004. *“Claimant” means a person that has a right under this*
12 *part to record a claim of lien, give a stop payment notice, or assert*
13 *a claim against a payment bond, or do any combination of the*
14 *foregoing.*

15 8006. *“Construction lender” means either of the following:*

16 (a) *A mortgagee or beneficiary under a deed of trust lending*
17 *funds with which the cost of all or part of a work of improvement*
18 *is to be paid, or the assignee or successor in interest of the*
19 *mortgagee or beneficiary.*

20 (b) *An escrow holder or other person holding funds provided*
21 *by an owner, lender, or another person as a fund for with which*
22 *the cost of all or part of a work of improvement is to be paid.*

23 8008. *“Contract” means an agreement that provides for all*
24 *or part of a work of improvement.*

25 8010. *“Contract price” means the price agreed to in a direct*
26 *contract for a work of improvement.*

27 8012. *“Contractor” includes a direct contractor,*
28 *subcontractor, or both. This section does not apply to Sections*
29 *8018 and 8046.*

30 8014. *“Design professional” means a person licensed as an*
31 *architect pursuant to Chapter 3 (commencing with Section 5500)*
32 *of Division 3 of the Business and Professions Code, licensed as a*
33 *landscape architect pursuant to Chapter 3.5 (commencing with*
34 *Section 5615) of Division 3 of the Business and Professions Code,*
35 *registered as a professional engineer pursuant to Chapter 7*
36 *(commencing with Section 6700) of Division 3 of the Business and*
37 *Professions Code, or licensed as a land surveyor pursuant to*
38 *Chapter 15 (commencing with Section 8700) of Division 3 of the*
39 *Business and Professions Code.*

1 8016. *“Direct contract” means a contract between an owner*
2 *and a direct contractor that provides for all or part of a work of*
3 *improvement.*

4 8018. *“Direct contractor” means a contractor that has a direct*
5 *contractual relationship with an owner. A reference in another*
6 *statute to a “prime contractor” in connection with the provisions*
7 *in this part means a “direct contractor.”*

8 8020. *For the purposes of Title 3 (commencing with Section*
9 *9000), “funds” means warrant, check, money, or bonds (if bonds*
10 *are to be issued in payment of the public works contract).*

11 8022. *“Labor, service, equipment, or material” includes, but*
12 *is not limited to, labor, skills, services, material, supplies,*
13 *equipment, appliances, power, and surveying, provided for a work*
14 *of improvement.*

15 8024. (a) *“Laborer” means a person who, acting as an*
16 *employee, performs labor upon, or bestows skill or other necessary*
17 *services on, a work of improvement.*

18 (b) *“Laborer” includes a person or entity to which a portion*
19 *of a laborer’s compensation for a work of improvement, including,*
20 *but not limited to, employer payments described in Section 1773.1*
21 *of the Labor Code and implementing regulations, is paid by*
22 *agreement with that laborer or the collective bargaining agent of*
23 *that laborer.*

24 (c) *A person or entity described in subdivision (b) that has*
25 *standing under applicable law to maintain a direct legal action,*
26 *in its own name or as an assignee, to collect any portion of*
27 *compensation owed for a laborer for a work of improvement, shall*
28 *have standing to enforce any rights or claims of the laborer under*
29 *this part, to the extent of the compensation agreed to be paid to*
30 *the person or entity for labor on that improvement. This subdivision*
31 *is intended to give effect to the longstanding public policy of this*
32 *state to protect the entire compensation of a laborer on a work of*
33 *improvement, regardless of the form in which that compensation*
34 *is to be paid.*

35 8026. *“Lien” means a lien under Title 2 (commencing with*
36 *Section 8160) and includes a lien of a design professional under*
37 *Section 8302, a lien for a work of improvement under Section*
38 *8400, and a lien for a site improvement under Section 8402.*

1 8028. “Material supplier” means a person that provides
2 material or supplies to be used or consumed in a work of
3 improvement.

4 8030. (a) For the purposes of Title 2 (commencing with Section
5 8160), “payment bond” means a bond given under Section 8600.

6 (b) For the purposes of Title 3 (commencing with Section 9000),
7 “payment bond” means a bond required by Section 9550.

8 8032. “Person” means an individual, corporation, public
9 entity, business trust, estate, trust, partnership, limited liability
10 company, association, or other entity.

11 8034. (a) For the purposes of Title 2 (commencing with Section
12 8160), “preliminary notice” means the notice provided for in
13 Chapter 2 (commencing with Section 8200) of Title 2.

14 (b) For the purposes of Title 3 (commencing with Section 9000),
15 “preliminary notice” means the notice provided for in Chapter 3
16 (commencing with Section 9300) of Title 3.

17 8036. “Public entity” means the state, Regents of the University
18 of California, a county, city, district, public authority, public
19 agency, and any other political subdivision or public corporation
20 in the state.

21 8038. “Public works contract” has the meaning provided in
22 Section 1101 of the Public Contract Code.

23 8040. “Site” means the real property on which a work of
24 improvement is situated or planned.

25 8042. “Site improvement” means any of the following work
26 on real property:

27 (a) Demolition or removal of improvements, trees, or other
28 vegetation.

29 (b) Drilling test holes.

30 (c) Grading, filling, or otherwise improving the real property
31 or a street, highway, or sidewalk in front of or adjoining the real
32 property.

33 (d) Construction or installation of sewers or other public
34 utilities.

35 (e) Construction of areas, vaults, cellars, or rooms under
36 sidewalks.

37 (f) Any other work or improvements in preparation of the site
38 for a work of improvement.

39 8044. (a) (1) For the purposes of Title 2 (commencing with
40 Section 8160), “stop payment notice” means the notice given by

1 *a claimant under Chapter 5 (commencing with Section 8500) of*
2 *Title 2.*

3 (2) *A stop payment notice given under Title 2 (commencing with*
4 *Section 8160) may be bonded or unbonded. A “bonded stop*
5 *payment notice” is a notice given with a bond under Section 8532.*
6 *An “unbonded stop payment notice” is a notice not given with a*
7 *bond under Section 8532.*

8 (3) *Except to the extent Title 2 (commencing with Section 8160)*
9 *distinguishes between a bonded and an unbonded stop payment*
10 *notice, a reference in that title to a stop payment notice includes*
11 *both a bonded and an unbonded notice.*

12 (b) *For the purposes of Title 3 (commencing with Section 9000),*
13 *“stop payment notice” means the notice given by a claimant under*
14 *Chapter 4 (commencing with Section 9350) of Title 3.*

15 (c) *A reference in another statute to a “stop notice” in*
16 *connection with the remedies provided in this part means a stop*
17 *payment notice.*

18 8046. *“Subcontractor” means a contractor that does not have*
19 *a direct contractual relationship with an owner. The term includes*
20 *a contractor that has a contractual relationship with a direct*
21 *contractor or with another subcontractor.*

22 8048. *“Work” means labor, service, equipment, or material*
23 *provided to a work of improvement.*

24 8050. (a) *“Work of improvement” includes, but is not limited*
25 *to:*

26 (1) *Construction, alteration, repair, demolition, or removal, in*
27 *whole or in part, of, or addition to, a building, wharf, bridge, ditch,*
28 *flume, aqueduct, well, tunnel, fence, machinery, railroad, or road.*

29 (2) *Seeding, sodding, or planting of real property for*
30 *landscaping purposes.*

31 (3) *Filling, leveling, or grading of real property.*

32 (b) *Except as otherwise provided in this part, “work of*
33 *improvement” means the entire structure or scheme of*
34 *improvement as a whole, and includes site improvement.*

35
36 *Article 2. Miscellaneous Provisions*
37

38 8052. (a) *This part is operative on January 1, 2012.*

39 (b) *Notwithstanding subdivision (a), the effectiveness of a notice*
40 *given or other action taken on a work of improvement before*

1 *January 1, 2012, is governed by the applicable law in effect before*
2 *January 1, 2012, and not by this part.*

3 *(c) A provision of this part, insofar as it is substantially the*
4 *same as a previously existing provision relating to the same subject*
5 *matter, shall be construed as a restatement and continuation*
6 *thereof and not as a new enactment.*

7 8054. *(a) This part does not apply to a transaction governed*
8 *by the Oil and Gas Lien Act (Chapter 2.5 (commencing with*
9 *Section 1203.50) of Title 4 of Part 3 of the Code of Civil*
10 *Procedure).*

11 *(b) This part does not apply to or change improvement security*
12 *under the Subdivision Map Act (Division 2 (commencing with*
13 *Section 66410) of Title 7 of the Government Code).*

14 *(c) This part does not apply to a transaction governed by*
15 *Sections 20457 to 20464, inclusive, of the Public Contract Code.*

16 8056. *Except as otherwise provided in this part, Part 2*
17 *(commencing with Section 307) of the Code of Civil Procedure*
18 *provides the rules of practice in proceedings under this part.*

19 8058. *For purposes of this part, “day” means a calendar day.*

20 8060. *(a) If this part provides for filing a contract, plan, or*
21 *other paper with the county recorder, the provision is satisfied by*
22 *filing the paper in the office of the county recorder of the county*
23 *in which the work of improvement or part of it is situated.*

24 *(b) If this part provides for recording a notice, claim of lien,*
25 *release of lien, payment bond, or other paper, the provision is*
26 *satisfied by filing the paper for record in the office of the county*
27 *recorder of the county in which the work of improvement or part*
28 *of it is situated.*

29 *(c) The county recorder shall number, index, and preserve a*
30 *contract, plan, or other paper presented for filing under this part,*
31 *and shall number, index, and transcribe into the official records,*
32 *in the same manner as a conveyance of real property, a notice,*
33 *claim of lien, payment bond, or other paper recorded under this*
34 *part.*

35 *(d) The county recorder shall charge and collect the fees*
36 *provided in Article 5 (commencing with Section 27360) of Chapter*
37 *6 of Part 3 of Division 2 of Title 3 of the Government Code for*
38 *performing duties under this section.*

39 8062. *No act of an owner in good faith and in compliance with*
40 *a provision of this part shall be construed to prevent a direct*

1 contractor's performance of the contract, or exonerate a surety
2 on a performance or payment bond.

3 8064. An owner may give a notice or execute or file a document
4 under this part on behalf of a co-owner if the owner acts on the
5 co-owner's behalf and includes in the notice or document the name
6 and address of the co-owner on whose behalf the owner acts.

7 8066. An act that may be done by or to a person under this
8 part may be done by or to the person's agent to the extent the act
9 is within the scope of the agent's authority.

10
11 *CHAPTER 2. NOTICE*
12

13 8100. Notice under this part shall be in writing. Writing
14 includes printing and typewriting.

15 8102. (a) Notice under this part shall, in addition to any other
16 information required by statute for that type of notice, include all
17 of the following information to the extent known to the person
18 giving the notice:

- 19 (1) The name and address of the owner or reputed owner.
20 (2) The name and address of the direct contractor.
21 (3) The name and address of the construction lender, if any.
22 (4) A description of the site sufficient for identification, including
23 the street address of the site, if any. If a sufficient legal description
24 of the site is given, the effectiveness of the notice is not affected
25 by the fact that the street address is erroneous or is omitted.
26 (5) The name, address, and relationship to the parties of the
27 person giving the notice.
28 (6) If the person giving the notice is a claimant:
29 (A) A general statement of the work provided.
30 (B) The name of the person to or for whom the work is provided.
31 (C) A statement or estimate of the claimant's demand, if any,
32 after deducting all just credits and offsets.
33 (b) Notice is not invalid by reason of any variance from the
34 requirements of this section if the notice is sufficient to substantially
35 inform the person given notice of the information required by this
36 section and other information required in the notice.

37 8104. (a) A direct contractor or subcontractor on a work of
38 improvement governed by this part that employs a laborer and
39 fails to pay the full compensation due the laborer, including any
40 employer payments described in Section 1773.1 of the Labor Code

1 and implementing regulations, shall not later than the date the
2 compensation became delinquent, give the laborer, the laborer's
3 bargaining representative, if any, the construction lender or
4 reputed construction lender, if any, and the owner or reputed
5 owner, notice that includes all of the following information, in
6 addition to the information required by Section 8102:

7 (1) The name and address of the laborer, and of any person or
8 entity described in subdivision (b) of Section 8024 to which
9 employer payments are due.

10 (2) The total number of straight time and overtime hours worked
11 by the laborer on each job.

12 (3) The amount then past due and owing.

13 (b) Failure to give the notice required by subdivision (a)
14 constitutes grounds for disciplinary action under the Contractors'
15 State License Law, Chapter 9 (commencing with Section 7000) of
16 Division 3 of the Business and Professions Code.

17 8106. Except as otherwise provided by statute, notice under
18 this part shall be given by any of the following means:

19 (a) Personal delivery.

20 (b) Mail in the manner provided in Section 8110.

21 (c) Leaving the notice and mailing a copy in the manner
22 provided in Section 415.20 of the Code of Civil Procedure for
23 service of summons and complaint in a civil action.

24 8108. Except as otherwise provided by this part, notice under
25 this part shall be given to the person to be notified at the person's
26 residence, the person's place of business, or at any of the following
27 addresses:

28 (a) If the person to be notified is an owner other than a public
29 entity, the owner's address shown on the direct contract, the
30 building permit, or a construction trust deed.

31 (b) If the person to be notified is a public entity, the office of
32 the public entity or another address specified by the public entity
33 in the contract or elsewhere for service of notices, papers, and
34 other documents.

35 (c) If the person to be notified is a construction lender, the
36 construction lender's address shown on the construction loan
37 agreement or construction trust deed.

38 (d) If the person to be notified is a direct contractor or a
39 subcontractor, the contractor's address shown on the building

1 *permit, on the contractor's contract, or on the records of the*
2 *Contractors' State License Board.*

3 *(e) If the person to be notified is a claimant, the claimant's*
4 *address shown on the claimant's contract, preliminary notice,*
5 *claim of lien, stop payment notice, or claim against a payment*
6 *bond, or on the records of the Contractors' State License Board.*

7 *(f) If the person to be notified is a surety on a bond, the surety's*
8 *address shown on the bond for service of notices, papers, and*
9 *other documents, or on the records of the Department of Insurance.*

10 8110. *Except as otherwise provided by this part, notice by mail*
11 *under this part shall be given by registered or certified mail,*
12 *express mail, or overnight delivery by an express service carrier.*

13 8114. *A notice required by this part to be posted shall be*
14 *displayed in a conspicuous location at the site.*

15 8116. *Notice under this part is complete and deemed to have*
16 *been given at the following times:*

17 *(a) If given by personal delivery, when delivered.*

18 *(b) If given by mail, when deposited in the mail or with an*
19 *express service carrier in the manner provided in Section 1013 of*
20 *the Code of Civil Procedure.*

21 *(c) If given by leaving the notice and mailing a copy in the*
22 *manner provided in Section 415.20 of the Code of Civil Procedure*
23 *for service of summons in a civil action, five days after mailing.*

24 *(d) If given by posting, when displayed.*

25 *(e) If given by recording, when recorded in the office of the*
26 *county recorder.*

27 8118. *(a) Proof that notice was given to a person in the manner*
28 *required by this part shall be made by a proof of notice declaration*
29 *that states all of the following:*

30 *(1) The type or description of the notice given.*

31 *(2) The date, place, and manner of notice, and facts showing*
32 *that notice was given in the manner required by statute.*

33 *(3) The name and address of the person to which notice was*
34 *given, and, if appropriate, the title or capacity in which the person*
35 *was given notice.*

36 *(b) If the notice is given by mail, the declaration shall be*
37 *accompanied by one of the following:*

38 *(1) Documentation provided by the United States Postal Service*
39 *showing that payment was made to mail the notice using registered*
40 *or certified mail, or express mail.*

1 (2) Documentation provided by an express service carrier
2 showing that payment was made to send the notice using an
3 overnight delivery service.

4 (3) A return receipt, delivery confirmation, signature
5 confirmation, tracking record, or other proof of delivery or
6 attempted delivery provided by the United States Postal Service,
7 or a photocopy of the record of delivery and receipt maintained
8 by the United States Postal Service, showing the date of delivery
9 and to whom delivered, or in the event of nondelivery, by the
10 returned envelope itself.

11 (4) A tracking record or other documentation provided by an
12 express service carrier showing delivery or attempted delivery of
13 the notice.

14
15 *CHAPTER 3. WAIVER AND RELEASE*
16

17 8120. The provisions of this chapter apply to a work of
18 improvement governed by this part.

19 8122. An owner, direct contractor, or subcontractor may not,
20 by contract or otherwise, waive, affect, or impair any other
21 claimant's rights under this part, whether with or without notice,
22 and any term of a contract that purports to do so is void and
23 unenforceable unless and until the claimant executes and delivers
24 a waiver and release under this article.

25 8124. A claimant's waiver and release does not release the
26 owner, construction lender, or surety on a payment bond from a
27 lien or claim unless both of the following conditions are satisfied:

28 (a) The waiver and release is in substantially the form provided
29 in this article and is signed by the claimant.

30 (b) If the release is a conditional release, there is evidence of
31 payment to the claimant. Evidence of payment may be either of
32 the following:

33 (1) The claimant's endorsement on a single or joint payee check
34 that has been paid by the financial institution on which it was
35 drawn.

36 (2) Written acknowledgment of payment by the claimant.

37 8126. An oral or written statement purporting to waive, release,
38 impair or otherwise adversely affect a lien or claim is void and
39 unenforceable and does not create an estoppel or impairment of

1 *the lien or claim unless either of the following conditions is*
2 *satisfied:*

3 *(a) The statement is pursuant to a waiver and release under this*
4 *article.*

5 *(b) The claimant has actually received payment in full for the*
6 *claim.*

7 8128. *(a) A claimant may reduce the amount of, or release in*
8 *its entirety, a stop payment notice. The reduction or release shall*
9 *be in writing and may be given in a form other than a waiver and*
10 *release form provided in this article.*

11 *(b) The writing shall identify whether it is a reduction of the*
12 *amount of the stop payment notice, or a release of the notice in its*
13 *entirety. If the writing is a reduction, it shall state the amount of*
14 *the reduction, and the amount to remain withheld after the*
15 *reduction.*

16 *(c) A claimant's reduction or release of a stop payment notice*
17 *has the following effect:*

18 *(1) The reduction or release releases the claimant's right to*
19 *enforce payment of the claim stated in the notice to the extent of*
20 *the reduction or release.*

21 *(2) The reduction or release releases the person given the notice*
22 *from the obligation to withhold funds pursuant to the notice to the*
23 *extent of the reduction or release.*

24 *(3) The reduction or release does not preclude the claimant*
25 *from giving a subsequent stop payment notice that is timely and*
26 *proper.*

27 *(4) The reduction or release does not release any right of the*
28 *claimant other than the right to enforce payment of the claim stated*
29 *in the stop payment notice to the extent of the reduction or release.*

30 8130. *This article does not affect the enforceability of either*
31 *an accord and satisfaction concerning a good faith dispute or an*
32 *agreement made in settlement of an action pending in court if the*
33 *accord and satisfaction or agreement and settlement make specific*
34 *reference to the lien or claim.*

35 8132. *If a claimant is required to execute a waiver and release*
36 *in exchange for, or in order to induce payment of, a progress*
37 *payment and the claimant is not, in fact, paid in exchange for the*
38 *waiver and release or a single payee check or joint payee check*
39 *is given in exchange for the waiver and release, the waiver and*

1 *release shall be null, void, and unenforceable unless it is in*
2 *substantially the following form:*

3
4 *CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT*

5
6 *NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP*
7 *PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON*
8 *RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS*
9 *DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED*
10 *PAYMENT.*

11
12 *Identifying Information*

13 *Name of Claimant:* _____

14 *Name of Customer:* _____

15 *Job Location:* _____

16 *Owner:* _____

17 *Through Date:* _____

18
19 *Conditional Waiver and Release*

20
21 *This document waives and releases lien, stop payment notice, and payment*
22 *bond rights the claimant has for labor and service provided, and equipment*
23 *and material delivered, to the customer on this job through the Through Date*
24 *of this document. Rights based upon labor or service provided, or equipment*
25 *or material delivered, pursuant to a written change order that has been fully*
26 *executed by the parties prior to the date that this document is signed by the*
27 *claimant, are waived and released by this document, unless listed as an*
28 *Exception below. This document is effective only on the claimant's receipt of*
29 *payment from the financial institution on which the following check is drawn:*

30
31 *Maker of Check:* _____

32 *Amount of Check:* _____

33 *Check Payable to:* _____

34
35 *Exceptions*

36
37 *This document does not affect any of the following:*

38 *(1) Retentions.*

39 *(2) Extras for which the claimant has not received payment.*

(3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:

Date(s) of waiver and release: _____

Amount(s) of unpaid progress payment(s): \$ _____

(4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

8134. If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a progress payment and the claimant asserts in the waiver that the claimant has, in fact, been paid the progress payment, the waiver and release shall be null, void, and unenforceable unless it is in substantially the following form, with the text of the "Notice to Claimant" in at least as large a type as the largest type otherwise in the form:

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

Identifying Information

Name of Claimant: _____

Name of Customer: _____

Job Location: _____

Owner: _____

Through Date: _____

1 *Unconditional Waiver and Release*

2
3 *This document waives and releases lien, stop payment notice, and payment*
4 *bond rights the claimant has for labor and service provided, and equipment*
5 *and material delivered, to the customer on this job through the Through Date*
6 *of this document. Rights based upon labor or service provided, or equipment*
7 *or material delivered, pursuant to a written change order that has been fully*
8 *executed by the parties prior to the date that this document is signed by the*
9 *claimant, are waived and released by this document, unless listed as an*
10 *Exception below. The claimant has received the following progress payment:*
11 \$ _____
12

13 *Exceptions*

14
15 *This document does not affect any of the following:*

16 (1) *Retentions.*

17 (2) *Extras for which the claimant has not received payment.*

18 (3) *Contract rights, including (A) a right based on rescission, abandonment,*
19 *or breach of contract, and (B) the right to recover compensation for work not*
20 *compensated by the payment.*

21
22 *Signature*

23
24 Claimant's Signature: _____

25 Claimant's Title: _____

26 Date of Signature: _____
27

28 8136. *If the claimant is required to execute a waiver and*
29 *release in exchange for, or in order to induce payment of, a final*
30 *payment and the claimant is not, in fact, paid in exchange for the*
31 *waiver and release or a single payee check or joint payee check*
32 *is given in exchange for the waiver and release, the waiver and*
33 *release shall be null, void, and unenforceable unless it is in*
34 *substantially the following form:*

35
36 *CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT*

37
38 *NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP*
39 *PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON*
40 *RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS*

DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED
PAYMENT.

Identifying Information

Name of Claimant: _____

Name of Customer: _____

Job Location: _____

Owner: _____

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: _____

Check Payable to: _____

Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: \$ _____

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

8138. If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a final payment and the claimant asserts in the waiver that the claimant has, in fact, been paid the final payment, the waiver and release

1 shall be null, void, and unenforceable unless it is in substantially
2 the following form, with the text of the “Notice to Claimant” in at
3 least as large a type as the largest type otherwise in the form:

4
5 UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

6
7 NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES
8 LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS
9 UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR
10 GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE
11 AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID.
12 IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND
13 RELEASE FORM.

14
15 Identifying Information

16 Name of Claimant: _____

17 Name of Customer: _____

18 Job Location: _____

19 Owner: _____

20
21 Unconditional Waiver and Release

22
23 This document waives and releases lien, stop payment notice, and payment
24 bond rights the claimant has for all labor and service provided, and equipment
25 and material delivered, to the customer on this job. Rights based upon labor
26 or service provided, or equipment or material delivered, pursuant to a written
27 change order that has been fully executed by the parties prior to the date that
28 this document is signed by the claimant, are waived and released by this
29 document, unless listed as an Exception below. The claimant has been paid
30 in full.

31
32 Exceptions

33
34 This document does not affect the following:

35 Disputed claims for extras in the amount of: \$ _____

36
37 Signature

38
39 Claimant's Signature: _____

40 Claimant's Title: _____

1 Date of Signature: _____
2

3 CHAPTER 4. BONDS
4

5 8150. The Bond and Undertaking Law (Chapter 2 (commencing
6 with Section 995.010) of Title 14 of Part 2 of the Code of Civil
7 Procedure) applies to a bond given under this part, except to the
8 extent this part prescribes a different rule or is inconsistent.

9 8152. None of the following releases a surety from liability on
10 a bond given under this part:

11 (a) A change, alteration, or modification to a contract, plan,
12 specification, or agreement for a work of improvement or for work
13 provided for a work of improvement.

14 (b) A change or modification to the terms of payment or an
15 extension of the time for payment for a work of improvement.

16 (c) A rescission or attempted rescission of a contract, agreement,
17 or bond.

18 (d) A condition precedent or subsequent in the bond purporting
19 to limit the right of recovery of a claimant otherwise entitled to
20 recover pursuant to a contract, agreement, or bond.

21 (e) In the case of a bond given for the benefit of claimants, the
22 fraud of a person other than the claimant seeking to recover on
23 the bond.

24 8154. (a) A bond given under this part shall be construed most
25 strongly against the surety and in favor of all persons for whose
26 benefit the bond is given.

27 (b) A surety is not released from liability to those for whose
28 benefit the bond has been given by reason of a breach of the direct
29 contract or on the part of any obligee named in the bond.

30 (c) Except as otherwise provided by statute, the sole conditions
31 of recovery on the bond are that the claimant is a person described
32 in Article 1 (commencing with Section 8400) of Chapter 4 of Title
33 2, or in Section 9100, and has not been paid the full amount of the
34 claim.

1 *TITLE 2. PRIVATE WORKS OF IMPROVEMENT*

2
3 *CHAPTER 1. GENERAL PROVISIONS*

4
5 *Article 1. Application of Title*

6
7 8160. *This title applies to a work of improvement that is not*
8 *governed by Title 3 (commencing with Section 9000) of this part.*
9

10 Article 42. Construction Documents

11
12 ~~8130.~~

13 8170. (a) A written direct contract shall provide a space for
14 the owner to enter the following information:

15 (1) The owner's name, address, and place of business, if any.

16 (2) The name and address of the construction lender, if any.

17 This paragraph does not apply to a home improvement contract
18 or swimming pool contract subject to Article 10 (commencing
19 with Section 7150) of Chapter 9 of Division 3 of the Business and
20 Professions Code.

21 (b) A written contract entered into between a direct contractor
22 and subcontractor, or between subcontractors, shall provide a space
23 for the name and address of the owner, direct contractor, and
24 construction lender, if any.

25 ~~8132.~~

26 8172. (a) A public entity that issues building permits shall, in
27 its application form for a building permit, provide space and a
28 designation for the applicant to enter the name, branch designation,
29 if any, and address of the construction lender and shall keep the
30 information on file open for public inspection during the regular
31 business hours of the public entity.

32 (b) If there is no known construction lender, the applicant shall
33 note that fact in the designated space.

34 (c) Failure of the applicant to indicate the name and address of
35 the construction lender on the application does not relieve a person
36 required to give the construction lender preliminary notice from
37 that duty.

38 ~~8134.~~

39 8174. (a) A mortgage, deed of trust, or other instrument
40 securing a loan, any of the proceeds of which may be used for a

work of improvement, shall bear the designation “Construction Trust Deed” prominently on its face and shall state all of the following:

- (1) The name and address of the construction lender.
- (2) The name and address of the owner of the *real* property described in the instrument.
- (3) A legal description of the *real* property that secures the loan and, if known, the street address of the property.
- (b) Failure to comply with subdivision (a) does not affect the validity of the mortgage, deed of trust, or other instrument.
- (c) Failure to comply with subdivision (a) does not relieve a person required to give preliminary notice from that duty.
- (d) The county recorder of the county in which the instrument is recorded shall indicate in the general index of the official records of the county that the instrument secures a construction loan.

Article 5. Bonds

~~8140. The Bond and Undertaking Law, Chapter 2 (commencing with Section 995.010) of Title 14 of Part 2 of the Code of Civil Procedure, applies to a bond given under this title, except to the extent this title prescribes a different rule or is inconsistent.~~

~~8142. None of the following releases a surety from liability on a bond given under this title:~~

- ~~(a) A change to a contract, plan, specification, or agreement for a work of improvement or for work provided for a work of improvement.~~
- ~~(b) A change to the terms of payment or an extension of the time for payment for a work of improvement.~~
- ~~(c) A rescission or attempted rescission of a contract, agreement, or bond.~~
- ~~(d) A condition precedent or subsequent in the bond purporting to limit the right of recovery of a claimant otherwise entitled to recover pursuant to a contract, agreement, or bond.~~
- ~~(e) In the case of a bond given for the benefit of claimants, the fraud of a person other than the claimant seeking to recover on the bond.~~

~~8144. (a) A bond given under this title shall be construed most strongly against the surety and in favor of the beneficiary.~~

1 (b) ~~A surety is not released from liability to the beneficiary by~~
2 ~~reason of a breach of the direct contract or on the part of any~~
3 ~~obligee named in the bond.~~

4 (e) ~~Except as otherwise provided by statute, the sole conditions~~
5 ~~of recovery on the bond are that the claimant is a person described~~
6 ~~in Article 1 (commencing with Section 8400) of Chapter 4, and~~
7 ~~has not been paid the full amount of the claim.~~

8
9 Article 6.3. Completion

10
11 ~~8150.~~

12 8180. (a) For the purpose of this title, completion of a work
13 of improvement occurs ~~at the earliest of the following times upon~~
14 ~~the occurrence of any of the following events:~~

15 (1) Actual completion of the work of improvement.

16 (2) Occupation or use by the owner accompanied by cessation
17 of labor.

18 (3) Cessation of labor for a continuous period of 60 days.

19 (4) Recordation of a notice of cessation after cessation of labor
20 for a continuous period of 30 days.

21 (b) Notwithstanding subdivision (a), if a work of improvement
22 is subject to acceptance by a public entity, completion occurs on
23 acceptance.

24 ~~8152.~~

25 8182. (a) An owner may record a notice of completion on or
26 within 15 days after the date of completion of a work of
27 improvement.

28 (b) The notice of completion shall be signed and verified by the
29 owner.

30 (c) The notice shall comply with ~~Section 8102~~ *the requirements*
31 *of Chapter 2 (commencing with Section 8100) of Title 1*, and shall
32 also include all of the following information:

33 (1) If the notice is given only of completion of a contract for a
34 particular portion of the work of improvement as provided in
35 ~~Section 8154~~ 8186, the name of the direct contractor under that
36 contract and a general statement of the work provided pursuant to
37 the contract.

38 (2) If signed by the owner's successor in interest, the name and
39 address of the successor's transferor.

40 (3) The nature of the interest or estate of the owner.

1 (4) The date of completion. An erroneous statement of the date
2 of completion does not affect the effectiveness of the notice if the
3 true date of completion is 15 days or less before the date of
4 recordation of the notice.

5 (d) A notice of completion that does not comply with the
6 provisions of this section is not effective.

7 (e) *For the purpose of this section, “owner” means the owner*
8 *who causes a building, improvement, or structure to be constructed,*
9 *altered, or repaired, or that person’s successor in interest at the*
10 *date a notice of completion is recorded, whether the interest or*
11 *estate of the owner be in fee, as vendee under a contract of*
12 *purchase, as lessee, or other interest or estate less than the fee.*
13 *Where the interest or estate is held by two or more persons as joint*
14 *tenants or tenants in common, any one or more of the cotenants*
15 *may be deemed to be the “owner” within the meaning of this*
16 *section.*

17 ~~8153.~~

18 8184. A notice of completion in otherwise proper form, verified
19 and containing the information required by this title, shall be
20 accepted by the recorder for recording and is deemed duly recorded
21 without acknowledgment.

22 ~~8154.~~

23 8186. If a work of improvement is made pursuant to two or
24 more direct contracts, each covering a portion of the work of
25 improvement:

26 (a) The owner may record a notice of completion of a direct
27 contract for a portion of the work of improvement. On recordation
28 of the notice of completion, for the purpose of Sections 8412 and
29 8414, a direct contractor is deemed to have completed the contract
30 for which the notice of completion is recorded and a claimant other
31 than a direct contractor is deemed to have ceased providing work.

32 (b) If the owner does not record a notice of completion under
33 this section, the period for recording a claim of lien is that provided
34 in Sections 8412 and 8414.

35 ~~8155.~~

36 8188. (a) An owner may record a notice of cessation if there
37 has been a continuous cessation of labor on a work of improvement
38 for at least 30 days prior to the recordation that continues through
39 the date of the recordation.

40 (b) The notice shall be signed and verified by the owner.

(c) The notice shall comply with the requirements of ~~Article 4 (commencing with Section 8100)~~ Chapter 2 (commencing with Section 8100) of Title 1, and shall also include all of the following information:

(1) The date on or about which labor ceased.

(2) A statement that the cessation has continued until the recordation of the notice.

(d) *For the purpose of this section, “owner” means the owner who causes a building, improvement, or structure to be constructed, altered, or repaired, or that person’s successor in interest at the date a notice of cessation is recorded, whether the interest or estate of the owner be in fee, as vendee under a contract of purchase, as lessee, or other interest or estate less than the fee. Where the interest or estate is held by two or more persons as joint tenants or tenants in common, any one or more of the cotenants may be deemed to be the “owner” within the meaning of this section.*

~~8156.~~

8190. (a) An owner that records a notice of completion or cessation shall, within 10 days of the date the notice of completion or cessation is filed for record, give a copy of the notice to all of the following persons:

(1) A direct contractor.

(2) A claimant that has given the owner preliminary notice.

(b) The copy of the notice shall be given in compliance with the requirements of ~~Article 3 (commencing with Section 8100)~~ Chapter 2 (commencing with Section 8100) of Title 1.

(c) If the owner fails to give notice to a person as required by subdivision (a), the notice is ineffective to shorten the time within which that person may record a claim of lien under Sections 8412 and 8414. The ineffectiveness of the notice is the sole liability of the owner for failure to give notice to a person under subdivision (a).

(d) ~~This~~ *For the purpose of this section, “owner” means a person who has an interest in real property, or the person’s successor in interest on the date a notice of completion or notice of cessation is recorded, who causes a building, improvement, or structure, to be constructed, altered, or repaired on the property. If the property is owned by two or more persons as joint tenants or tenants in common, any one or more of the cotenants may be deemed to be the “owner” within the meaning of this section.*

1 *However, this* section does not apply to any of the following
2 owners:

3 (1) A person that occupies the *real* property as a personal
4 residence, if the dwelling contains four or fewer residential units.

5 (2) A person that has a security interest in the property.

6 (3) A person that obtains an interest in the property pursuant to
7 a transfer described in subdivision (b), (c), or (d) of Section 1102.2.

8
9 ~~Article 7. Waiver and Release~~

10
11 ~~8160. An owner, direct contractor, or subcontractor may not,~~
12 ~~by contract or otherwise, waive, affect, or impair any other~~
13 ~~claimant's rights under this title, whether with or without notice,~~
14 ~~and any term of a contract that purports to do so is void and~~
15 ~~unenforceable unless and until the claimant executes and delivers~~
16 ~~a waiver and release under this article.~~

17 ~~8162. A claimant's waiver and release does not release the~~
18 ~~owner, construction lender, or surety on a payment bond from a~~
19 ~~lien or claim unless both of the following conditions are satisfied:~~

20 ~~(a) The waiver and release is in substantially the form provided~~
21 ~~in this article and is signed by the claimant.~~

22 ~~(b) If the release is a conditional release, there is evidence of~~
23 ~~payment to the claimant. Evidence of payment may be (1) the~~
24 ~~claimant's endorsement on a single or joint payee check that has~~
25 ~~been paid by the financial institution on which it was drawn or (2)~~
26 ~~written acknowledgment of payment by the claimant.~~

27 ~~8164. An oral or written statement purporting to waive, release,~~
28 ~~impair or otherwise adversely affect a lien or claim is void and~~
29 ~~unenforceable and does not create an estoppel or impairment of~~
30 ~~the lien or claim unless either of the following conditions is~~
31 ~~satisfied:~~

32 ~~(a) The statement is pursuant to a waiver and release under this~~
33 ~~article.~~

34 ~~(b) The claimant has actually received payment in full for the~~
35 ~~claim.~~

36 ~~8166. (a) A claimant may reduce the amount of, or release in~~
37 ~~its entirety, a stop payment notice. The reduction or release shall~~
38 ~~be in writing and may be given in a form other than a waiver and~~
39 ~~release form provided in this article.~~

~~(b) The writing shall identify whether it is a reduction of the amount of the stop payment notice, or a release of the notice in its entirety. If the writing is a reduction, it shall state the amount of the reduction, and the amount to remain withheld after the reduction.~~

~~(e) A claimant's reduction or release of a stop payment notice has the following effect:~~

~~(1) The reduction or release releases the claimant's right to enforce payment of the claim stated in the notice to the extent of the reduction or release.~~

~~(2) The reduction or release releases the person given the notice from the obligation to withhold funds pursuant to the notice to the extent of the reduction or release.~~

~~(3) The reduction or release does not preclude the claimant from giving a subsequent stop payment notice that is timely and proper.~~

~~(4) The reduction or release does not release any right of the claimant other than the right to enforce payment of the claim stated in the stop payment notice to the extent of the reduction or release.~~

~~8168. This article does not affect the enforceability of either an accord and satisfaction concerning a good faith dispute or an agreement made in settlement of an action pending in court if the accord and satisfaction or agreement and settlement make specific reference to the lien or claim.~~

~~8170. If a claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for the waiver and release, the waiver and release shall be in substantially the following form:~~

~~Conditional Waiver and Release on Progress Payment~~

~~NOTICE: This document waives the claimant's lien and certain other rights effective on receipt of payment. A person should not rely on this document unless satisfied that the claimant has received payment.~~

~~Identifying Information~~

~~Name of Claimant: _____~~

~~Name of Customer: _____~~

~~Job Location: _____~~

Owner: _____
Through Date: _____

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____
Amount of Check: \$ _____
Check Payable to: _____

Exceptions

This document does not affect any of the following:

(1) Retentions.

(2) Extras for which the claimant has not received payment.

(3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:

Date(s) of waiver and release: _____

Amount(s) of unpaid progress payment(s): \$ _____

This document does not affect contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

8172. If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a progress payment and the claimant asserts in the waiver it has, in fact, been paid the progress payment, the waiver and release shall be in substantially the following form, with the text of the "Notice to Claimant" in at least as large a type as the largest type otherwise in the form:

Unconditional Waiver and Release on Progress Payment

NOTICE TO CLAIMANT: This document waives and releases rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional waiver and release form.

Identifying Information

Name of Claimant: _____

Name of Customer: _____

Job Location: _____

Owner: _____

Through Date: _____

Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document.

The claimant has received the following progress payment:

\$ _____

Exceptions

This document does not affect any of the following:

(1) Retentions;

(2) Extras for which the claimant has not received payment. This document does not affect contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

Signature

Claimant's Signature: _____

Claimant's Title: _____

Date of Signature: _____

8174. If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a final payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint payee check is given

1 in exchange for the waiver and release, the waiver and release shall
2 be in substantially the following form:

3
4 Conditional Waiver and Release on Final Payment

5
6 NOTICE: This document waives the claimant's lien and certain other rights
7 effective on receipt of payment. A person should not rely on this document
8 unless satisfied that the claimant has received payment.

9
10 Identifying Information

11 Name of Claimant: _____

12 Name of Customer: _____

13 Job Location: _____

14 Owner: _____

15
16 Conditional Waiver and Release

17 This document waives and releases lien, stop payment notice, and payment
18 bond rights the claimant has for labor and service provided, and equipment
19 and material delivered to the customer on this job. This document is effective
20 only on the claimant's receipt of payment from the financial institution on
21 which the following check is drawn:

22 Maker of Check: _____

23 Amount of Check: \$ _____

24 Check Payable to: _____

25
26 Exceptions

27 This document does not affect any of the following:

28 (1) Disputed claims for extras in the amount of: \$ _____

29 (2) The following progress payments for which the claimant has previously
30 given a conditional waiver and release but has not received payment:

31 Date(s) of waiver and release: _____

32 Amount(s) of unpaid progress payment(s): \$ _____

33
34 Signature

35 Claimant's Signature: _____

36 Claimant's Title: _____

37 Date of Signature: _____

38
39 8176. If the claimant is required to execute a waiver and release
40 in exchange for, or in order to induce payment of, a final payment

1 and the claimant asserts in the waiver it has, in fact, been paid the
 2 final payment, the waiver and release shall be in substantially the
 3 following form, with the text of the “Notice to Claimant” in at
 4 least as large a type as the largest type otherwise in the form:

5
 6 Unconditional Waiver and Release on Final Payment

7
 8 ~~NOTICE TO CLAIMANT: This document waives and releases rights~~
 9 ~~unconditionally and states that you have been paid for giving up those rights.~~
 10 ~~This document is enforceable against you if you sign it, even if you have not~~
 11 ~~been paid. If you have not been paid, use a conditional waiver and release~~
 12 ~~form.~~

13
 14 Identifying Information

15 Name of Claimant: _____

16 Name of Customer: _____

17 Job Location: _____

18 Owner: _____

19
 20 Unconditional Waiver and Release

21 This document waives and releases lien, stop payment notice, and payment
 22 bond rights the claimant has for all labor and service provided, and equipment
 23 and material delivered, to the customer on this job. The claimant has been paid
 24 in full.

25
 26 Exception

27 This document does not affect the following:

28 Disputed claims for extras in the amount of: \$ _____

29
 30 Signature

31 Claimant's Signature: _____

32 Claimant's Title: _____

33 Date of Signature: _____

34
 35 CHAPTER 2. PRELIMINARY NOTICE

36
 37 8200. (a) Except as otherwise provided by statute, before
 38 recording a lien claim, giving a stop payment notice, or asserting
 39 a claim against a payment bond, a claimant shall give preliminary
 40 notice to the following persons:

1 (1) The owner or reputed owner.

2 (2) The direct contractor or reputed direct contractor to which
3 the claimant provides work, either directly or through one or more
4 subcontractors.

5 (3) The construction lender or reputed construction lender, if
6 any.

7 (b) The notice shall comply with the requirements of ~~Article 3~~
8 ~~(commencing with Section 8100) of Chapter 4 Chapter 2~~
9 ~~(commencing with Section 8100) of Title 1.~~

10 (c) Compliance with this section is a necessary prerequisite to
11 the validity of a lien claim or stop payment notice under this title.

12 (d) Compliance with this section or with Section 8612 is a
13 necessary prerequisite to the validity of a claim against a payment
14 bond under this title.

15 (e) Notwithstanding the foregoing subdivisions:

16 (1) A laborer is not required to give preliminary notice.

17 (2) A claimant with a direct contractual relationship with an
18 owner or reputed owner is required to give preliminary notice only
19 to the construction lender or reputed construction lender, if any.

20 8202. (a) The preliminary notice shall comply with the
21 requirements of Section 8102, and shall also include:

22 (1) A general description of the work to be provided.

23 (2) An estimate of the total price of the work provided and to
24 be provided.

25 (3) The following statement in boldface type:

26
27 NOTICE TO PROPERTY OWNER

28
29 EVEN THOUGH YOU HAVE PAID YOUR CONTRACTOR IN FULL,
30 if the person or firm that has given you this notice is not paid in full for labor,
31 service, equipment, or material provided or to be provided to your construction
32 project, a lien may be placed on your property. Foreclosure of the lien may
33 lead to loss of all or part of your property. You may wish to protect yourself
34 against this by (1) requiring your contractor to provide a signed release by the
35 person or firm that has given you this notice before making payment to your
36 contractor, or (2) any other method that is appropriate under the circumstances.

37 This notice is required by law to be served by the undersigned as a statement
38 of your legal rights. This notice is not intended to reflect upon the financial
39 condition of the contractor or the person employed by you on the construction
40 project.

1 If you record a notice of cessation or completion of your construction project,
2 you must within 10 days after recording, send a copy of the notice of
3 completion to your contractor and the person or firm that has given you this
4 notice. The notice must be sent by registered or certified mail. Failure to send
5 the notice will extend the deadline to record a claim of lien. You are not
6 required to send the notice if you are a residential homeowner of a dwelling
7 containing four or fewer units.

8
9 (b) If preliminary notice is given by a subcontractor that has
10 not paid all compensation due to a laborer, the notice shall include
11 the name and address of the laborer and any person or entity
12 described in subdivision (b) of Section ~~8020~~ 8024 to which
13 payments are due.

14 (c) If an invoice for material or certified payroll contains the
15 information required by this section and Section 8102, a copy of
16 the invoice or payroll, given in compliance with the requirements
17 of ~~Article 3 (commencing with Section 8100) of Chapter 1~~ Chapter
18 2 (*commencing with Section 8100*) of Title 1, is sufficient.

19 8204. (a) A preliminary notice shall be given not later than 20
20 days after the claimant has first furnished work on the work of
21 improvement. If work has been provided by a claimant who did
22 not give a preliminary notice, that claimant shall not be precluded
23 from giving a preliminary notice at any time thereafter. The
24 claimant shall, however, be entitled to record a lien, give a stop
25 payment notice, and assert a claim against a payment bond only
26 for work performed within 20 days prior to the service of the
27 preliminary notice, and at any time thereafter.

28 (b) A licensed architect, licensed landscape architect, registered
29 engineer, or licensed land surveyor who has furnished services for
30 the design of the work of improvement and who gives a preliminary
31 notice not later than 20 days after the work of improvement has
32 commenced shall be deemed to have complied with Section 8200
33 with respect to the design services furnished, or to be furnished.

34 8206. (a) Except as provided in subdivision (b), a claimant
35 need give only one preliminary notice to each person to which
36 notice must be given under this chapter with respect to all work
37 provided by the claimant for a work of improvement.

38 (b) If a claimant provides work pursuant to contracts with more
39 than one subcontractor, the claimant shall give a separate

1 preliminary notice with respect to work provided pursuant to each
2 contract.

3 (c) A preliminary notice that contains a general description of
4 work provided by the claimant through the date of the notice also
5 covers work provided by the claimant after the date of the notice
6 whether or not they are within the scope of the general description
7 contained in the notice.

8 8208. A direct contractor shall make available to any person
9 seeking to give preliminary notice the following information:

10 (a) The name and address of the owner.

11 (b) The name and address of the construction lender, if any.

12 8210. ~~If a construction loan is one or more construction loans~~
13 *are* obtained after commencement of a work of improvement, the
14 owner shall give notice of the name and address of the construction
15 lender *or lenders* to each person that has given the owner
16 preliminary notice.

17 8212. An agreement made or entered into by an owner whereby
18 the owner agrees to waive the rights conferred on the owner by
19 this chapter is void and unenforceable.

20 8214. ~~The county recorder may cause to be destroyed all~~
21 ~~documents filed under subdivision (o) of former Section 3097 as~~
22 ~~that section read on January 1, 2008.~~

23 8214. (a) *Each person who has served a preliminary notice*
24 *may file the preliminary notice with the county recorder. A*
25 *preliminary notice filed pursuant to this section shall comply with*
26 *the requirements of Section 8102.*

27 (b) *Upon the acceptance for recording of a notice of completion*
28 *or notice of cessation the county recorder shall mail to those*
29 *persons who have filed a preliminary notice, notification that a*
30 *notice of completion or notice of cessation has been recorded on*
31 *the property, and shall affix the date that the notice of completion*
32 *or notice of cessation was recorded with the county recorder. The*
33 *notification given by the county recorder under this section is not*
34 *governed by the requirements of Chapter 2 (commencing with*
35 *Section 8100) of Title 1.*

36 (c) *The failure of the county recorder to mail the notification*
37 *to the person who filed a preliminary notice, or the failure of those*
38 *persons to receive the notification or to receive complete*
39 *notification, shall not affect the period within which a claim of*
40 *lien is required to be recorded. However, the county recorder shall*

1 *make a good faith effort to mail notification to those persons who*
2 *have filed the preliminary notice under this section and to do so*
3 *within five days after the recording of a notice of completion or*
4 *notice of cessation.*

5 *(d) The county recorder may cause to be destroyed all*
6 *documents filed pursuant to this section, two years after the date*
7 *of filing.*

8 *(e) The preliminary notice that a person may file pursuant to*
9 *this section is for the limited purpose of facilitating the mailing of*
10 *notice by the county recorder of recorded notices of completion*
11 *and notices of cessation. The notice that is filed is not a recordable*
12 *document and shall not be entered into those official records of*
13 *the county which by law impart constructive notice.*
14 *Notwithstanding any other provision of law, the index maintained*
15 *by the recorder of filed preliminary notices shall be separate and*
16 *distinct from those indexes maintained by the county recorder of*
17 *those official records of the county which by law impart*
18 *constructive notice. The filing of a preliminary notice with the*
19 *county recorder does not give rise to any actual or constructive*
20 *notice with respect to any party of the existence or contents of a*
21 *filed preliminary notice nor to any duty of inquiry on the part of*
22 *any party as to the existence or contents of that notice.*

23 8216. If the contract of any subcontractor on a particular work
24 of improvement provides for payment to the subcontractor of more
25 than four hundred dollars (\$400), the failure of that subcontractor,
26 licensed under the Contractors' State License Law (Chapter 9
27 (commencing with Section 7000) of Division 3 of the Business
28 and Professions Code), to give the notice provided for in this
29 chapter, constitutes grounds for disciplinary action under the
30 Contractors' State License Law.

31 32 CHAPTER 3. DESIGN PROFESSIONALS LIEN

33
34 ~~8300. Notwithstanding Section 8028, for purposes of this~~
35 ~~chapter "owner" means a fee owner of a site.~~

36 8300. *For purposes of this chapter, a "design professional"*
37 *is a person described in Section 8014 who provides services*
38 *pursuant to a written contract with a landowner for the design,*
39 *engineering, or planning of a work of improvement.*

1 8302. (a) A design professional has, from the date of
2 recordation of a claim of lien under this chapter, a lien on the site
3 notwithstanding the absence of commencement of the planned
4 work of improvement, if the ~~owner~~ *landowner* who contracted for
5 the design professional's services is also the owner of the site at
6 the time of recordation of the claim of lien.

7 (b) The lien of the design professional is for the amount of the
8 design professional's fee for services provided under the contract
9 or the reasonable value of those services, whichever is less. The
10 amount of the lien is reduced by the amount of any deposit or prior
11 payment under the contract.

12 (c) A design professional may not record a claim of lien, and a
13 lien may not be created, under this chapter unless a building permit
14 or other governmental approval in furtherance of the work of
15 improvement has been obtained in connection with or utilizing the
16 services provided by the design professional.

17 8304. A design professional is not entitled to a lien under this
18 chapter unless all of the following conditions are satisfied:

19 (a) The work of improvement for which the design professional
20 provided services has not commenced.

21 (b) The ~~owner~~ *landowner* defaults in a payment required under
22 the contract or refuses to pay the demand of the design professional
23 made under the contract.

24 (c) Not less than 10 days before recording a claim of lien, the
25 design professional gives the ~~owner~~ *landowner* notice making a
26 demand for payment, and stating that a default has occurred under
27 the contract and the amount of the default.

28 (d) The design professional records a claim of lien. The claim
29 of lien shall include all of the following information:

- 30 (1) The name of the design professional.
31 (2) The amount of the claim.
32 (3) The current owner of record of the site.
33 (4) A legal description of the site.
34 (5) Identification of the building permit or other governmental
35 approval for the work of improvement.

36 8306. (a) On recordation of the claim of lien, a lien is created
37 in favor of the named design professional.

38 (b) The lien automatically expires and is null and void and of
39 no further force or effect on the occurrence of either of the
40 following events:

1 (1) The commencement of the work of improvement for which
2 the design professional provided services.

3 (2) The expiration of 90 days after recording the claim of lien,
4 unless the design professional commences an action to enforce the
5 lien within that time.

6 (c) If the ~~owner~~ *landowner* partially or fully satisfies the lien,
7 the design professional shall execute and record a document that
8 evidences a partial or full satisfaction and release of the lien, as
9 applicable.

10 8308. (a) Except as provided in subdivision (b), no provision
11 of this ~~title~~ *part* applies to a lien created under this chapter.

12 (b) The following provisions of this ~~title~~ *part* apply to a lien
13 created under this chapter:

14 (1) This chapter.

15 (2) Article 1 (commencing with Section 8000) of Chapter 1 *of*
16 *Title 1*.

17 (3) Section 8424.

18 (4) Article 6 (commencing with Section 8460) of Chapter 4.

19 (5) Article 7 (commencing with Section 8480) of Chapter 4.

20 (6) Article 8 (commencing with Section 8490) of Chapter 4.

21 8310. This chapter does not affect the ability of a design
22 professional to obtain a lien for a work of improvement under
23 Section 8400.

24 8312. A design professional shall record a claim of lien under
25 this chapter no later than 90 days after the design professional
26 knows or has reason to know that the work of improvement will
27 not be commenced.

28 8314. The creation of a lien under this chapter does not affect
29 the ability of the design professional to pursue other remedies.

30 8316. (a) No lien created under this chapter affects or takes
31 priority over the interest of record of a purchaser, lessee, or
32 encumbrancer, if the interest of the purchaser, lessee, or
33 encumbrancer in the *real* property was duly recorded before
34 recordation of the claim of lien.

35 (b) No lien created under this chapter affects or takes priority
36 over an encumbrance of a construction lender that funds the loan
37 for the work of improvement for which the design professional
38 provided services.

39 8318. A design professional may not obtain a lien under this
40 chapter for services provided for a work of improvement relating

1 to a single-family, owner-occupied residence for which the
2 expected construction cost is less than one hundred thousand
3 dollars (\$100,000).

4
5 CHAPTER 4. MECHANICS LIEN
6

7 Article 1. Who is Entitled to Lien
8

9 8400. A person that provides work authorized for a work of
10 improvement, including, but not limited to, the following persons,
11 has a lien right under this chapter:

- 12 (a) Direct contractor.
13 (b) Subcontractor.
14 (c) Material supplier.
15 (d) Equipment lessor.
16 (e) Laborer.
17 (f) Design professional.

18 8402. A person that provides work authorized for a site
19 improvement has a lien right under this chapter.

20 8404. Work is authorized for a work of improvement or for a
21 site improvement in any of the following circumstances:

- 22 (a) It is provided at the request of or agreed to by the owner.
23 (b) It is provided or authorized by a direct contractor,
24 subcontractor, architect, project manager, or other person having
25 charge of all or part of the work of improvement or site
26 improvement.

27
28 Article 2. Conditions to Enforcing a Lien
29

30 8410. A claimant may enforce a lien only if the claimant has
31 given preliminary notice to the extent required by Chapter 2
32 (commencing with Section 8200) and made proof of notice.

33 8412. A direct contractor may not enforce a lien unless the
34 contractor records a claim of lien after the contractor completes
35 the direct contract, and before the earlier of the following times:

- 36 (a) Ninety days after completion of the work of improvement.
37 (b) Sixty days after the owner records a notice of completion
38 or cessation.

1 8414. A claimant other than a direct contractor may not enforce
2 a lien unless the claimant records a claim of lien within the
3 following times:

- 4 (a) After the claimant ceases to provide work.
5 (b) Before the earlier of the following times:
6 (1) Ninety days after completion of the work of improvement.
7 (2) Thirty days after the owner records a notice of completion
8 or cessation.

9 8416. (a) A claim of mechanics lien shall be a written
10 statement, signed and verified by the claimant, containing all of
11 the following:

- 12 (1) A statement of the claimant's demand after deducting all
13 just credits and offsets.
14 (2) The name of the owner or reputed owner, if known.
15 (3) A general statement of the kind of work furnished by the
16 claimant.
17 (4) The name of the person by whom the claimant was employed
18 or to whom the claimant furnished work.
19 (5) A description of the site sufficient for identification.
20 (6) The claimant's address.
21 (7) A proof of service affidavit completed and signed by the
22 person serving a copy of the claim of mechanics lien pursuant to
23 subdivision (c). The affidavit shall show the date, place, and
24 manner of service, and facts showing that the service was made
25 in accordance with this section. The affidavit shall show the name
26 and address of the person or persons upon whom the copy of the
27 claim of mechanics lien was served, and, if appropriate, the title
28 or capacity in which he or she was served.
29 (8) The following statement, printed in at least 10-point boldface
30 type. The letters of the last sentence shall be printed in uppercase
31 type, excepting the Internet Web site address of the Contractors'
32 State License Board, which shall be printed in lowercase type:

33 "NOTICE OF MECHANICS LIEN
34 ATTENTION!
35
36

37 Upon the recording of the enclosed MECHANICS LIEN with the county
38 recorder's office of the county where the property is located, your property is
39 subject to the filing of a legal action seeking a court-ordered foreclosure sale
40 of the real property on which the lien has been recorded. That legal action

1 must be filed with the court no later than 90 days after the date the mechanics
2 lien is recorded.

3 The party identified in the enclosed mechanics lien may have provided labor
4 or materials for improvements to your property and may not have been paid
5 for these items. You are receiving this notice because it is a required step in
6 filing a mechanics lien foreclosure action against your property. The foreclosure
7 action will seek a sale of your property in order to pay for unpaid labor,
8 materials, or improvements provided to your property. This may affect your
9 ability to borrow against, refinance, or sell the property until the mechanics
10 lien is released.

11 BECAUSE THE LIEN AFFECTS YOUR PROPERTY, YOU MAY WISH
12 TO SPEAK WITH YOUR CONTRACTOR IMMEDIATELY, OR CONTACT
13 AN ATTORNEY, OR FOR MORE INFORMATION ON MECHANICS
14 LIENS GO TO THE CONTRACTORS' STATE LICENSE BOARD WEB
15 SITE AT www.cslb.ca.gov.”

16
17 (b) A claim of mechanics lien in otherwise proper form, verified
18 and containing the information required in subdivision (a), shall
19 be accepted by the recorder for recording and shall be deemed
20 duly recorded without acknowledgment.

21 (c) A copy of the claim of mechanics lien, which includes the
22 Notice of Mechanics Lien required by paragraph (8) of subdivision
23 (a), shall be served on the owner or reputed owner. Service shall
24 be made as follows:

25 (1) For an owner or reputed owner to be notified who resides
26 in or outside this state, by registered mail, certified mail, or
27 first-class mail, evidenced by a certificate of mailing, postage
28 prepaid, addressed to the owner or reputed owner at the owner's
29 or reputed owner's residence or place of business address or at the
30 address shown by the building permit on file with the authority
31 issuing a building permit for the work, or as otherwise provided
32 in Section ~~8134~~ 8174.

33 (2) If the owner or reputed owner cannot be served by this
34 method, then the copy of the claim of mechanics lien may be given
35 by registered mail, certified mail, or first-class mail, evidenced by
36 a certificate of mailing, postage prepaid, addressed to the
37 construction lender or to the original contractor.

38 (d) Service of the copy of the claim of mechanics lien by
39 registered mail, certified mail, or first-class mail, evidenced by a

1 certificate of mailing, postage prepaid, is complete at the time of
2 the deposit of that first-class, certified, or registered mail.

3 (e) Failure to serve the copy of the claim of mechanics lien as
4 prescribed by this section, including the Notice of Mechanics Lien
5 required by paragraph (8) of subdivision (a), shall cause the claim
6 of mechanics lien to be unenforceable as a matter of law.

7 8422. (a) Except as provided in subdivision (b), erroneous
8 information contained in a claim of lien relating to the claimant's
9 demand, credits and offsets deducted, the work provided, or the
10 description of the site, does not invalidate the claim of lien.

11 (b) Erroneous information contained in a claim of lien relating
12 to the claimant's demand, credits and offsets deducted, or the work
13 provided, invalidates the claim of lien if the court determines either
14 of the following:

15 (1) The claim of lien was made with intent to slander title or
16 defraud.

17 (2) An innocent third party, without notice, actual or
18 constructive, became the bona fide owner of the property after
19 recordation of the claim of lien, and the claim of lien was so
20 deficient that it did not put the party on further inquiry in any
21 manner.

22 8424. (a) An owner of *real* property or an owner of any interest
23 in *real* property subject to a recorded claim of lien, or a direct
24 contractor or subcontractor affected by the claim of lien, that
25 disputes the correctness or validity of the claim may obtain release
26 of the *real* property from the claim of lien by recording a lien
27 release bond. The principal on the bond may be the owner of the
28 property, the direct contractor, or the subcontractor.

29 (b) The bond shall be conditioned on payment of any judgment
30 and costs the claimant recovers on the lien. The bond shall be in
31 an amount equal to ~~150~~ 125 percent of the amount of the claim of
32 lien or ~~150~~ 125 percent of the amount allocated in the claim of lien
33 to the *real* property to be released. The bond shall be executed by
34 an admitted surety insurer.

35 (c) The bond may be recorded either before or after
36 commencement of an action to enforce the lien. On recordation of
37 the bond, the *real* property is released from the claim of lien and
38 from any action to enforce the lien.

39 (d) A person that obtains and records a lien release bond shall
40 give notice to the claimant. The notice shall comply with the

1 requirements of ~~Article 3 (commencing with Section 8100) of~~
2 ~~Chapter 1 Chapter 2 (commencing with Section 8100) of Title 1~~
3 and shall include a copy of the bond. Failure to give the notice
4 required by this section does not affect the validity of the bond,
5 but the statute of limitations for an action on the bond is tolled
6 until notice is given. The claimant shall commence an action on
7 the bond within six months after notice is given.

8
9 Article 3. Amount of Lien

10
11 8430. (a) The lien is a direct lien for the lesser of the following
12 amounts:

13 (1) The reasonable value of the work provided by the claimant.
14 (2) The price agreed to by the claimant and the person that
15 contracted for the work.

16 (b) The lien is not limited in amount by the contract price for
17 the work of improvement except as provided in Section ~~8602~~ 8600.

18 (c) This section does not preclude the claimant from including
19 in a claim of lien work performed *based on a written modification*
20 *of the contract, or* as a result of rescission, abandonment, or breach
21 of the contract. If there is a rescission, abandonment, or breach of
22 the contract, the amount of the lien may not exceed the reasonable
23 value of the work provided by the claimant.

24 8432. (a) A lien does not extend to work, whether or not the
25 work is authorized by a direct contractor or subcontractor, if the
26 work is not included in a direct contract, and the claimant had
27 actual knowledge or constructive notice of the provisions of that
28 contract before providing the work.

29 (b) The filing of a contract with the county recorder, before the
30 commencement of a work of improvement, is constructive notice
31 of the provisions of the contract to a person providing work on
32 that work of improvement.

33 8434. A direct contractor or a subcontractor may enforce a lien
34 only for the amount due pursuant to that contractor's contract after
35 deducting all lien claims of other claimants for work provided and
36 embraced within that contract.

Article 4. Property Subject to Lien

8440. Subject to Section 8442, a lien attaches to the work of improvement and to the *real* property on which the work of improvement is situated, including as much space about the work of improvement as is required for the convenient use and occupation of the work of improvement.

8442. The following interests in *real* property to which a lien attaches are subject to the lien:

(a) The interest of a person that contracted for the work of improvement.

(b) The interest of a person that did not contract for the work of improvement, if work for which the lien is claimed was provided with the knowledge of the person. ~~This subdivision does not apply to the interest of a person that that person, unless that person gives notice of nonresponsibility under Section 8444.~~

8444. (a) An owner of *real* property or a person claiming an interest in *real* property on which a work of improvement is situated that did not contract for the work of improvement may give notice of nonresponsibility.

(b) A notice of nonresponsibility shall be signed and verified by the owner.

(c) The notice shall comply with the requirements of ~~Article 3 (commencing with Section 8100) of Chapter 1~~ Chapter 2 (commencing with Section 8100) of Title 1.

(d) The notice shall also include all of the following information:

(1) The nature of the owner's title or interest.

(2) The name of a purchaser under contract, if any, or lessee, if known.

(3) A statement that the person giving the notice is not responsible for claims arising from the work of improvement.

(e) A notice of nonresponsibility is not effective unless, within 10 days after the person giving notice has knowledge of the work of improvement, the person both posts and records the notice.

8446. A claimant may record one claim of lien on two or more works of improvement, subject to the following conditions:

(a) The works of improvement have or are reputed to have the same owner, or the work was contracted for by the same person for the works of improvement whether or not they have the same owner.

(b) The claimant in the claim of lien designates the amount due for each work of improvement. If the claimant contracted for a lump sum payment for work provided for the works of improvement and the contract does not segregate the amount due for each work of improvement separately, the claimant may estimate an equitable distribution of the amount due for each work of improvement based on the proportionate amount of work provided for each. If the claimant does not designate the amount due for each work of improvement, the lien is subordinate to other liens.

(c) If there is a single structure on *real* property of different owners, the claimant need not segregate the proportion of work provided for the portion of the structure situated on *real* property of each owner. In the lien enforcement action the court may, if it determines it equitable to do so, designate an equitable distribution of the lien among the *real* property of the owners.

(d) The lien does not extend beyond the amount designated as against other creditors having liens, by judgment, mortgage, or otherwise, on either the works of improvement or the *real* property on which the works of improvement are situated.

8448. (a) As used in this section, “separate residential unit” means one residential structure, including a residential structure containing multiple condominium units, together with any common area, garage, or other appurtenant improvements.

(b) If a work of improvement consists of the construction of two or more separate residential units:

(1) Each unit is deemed a separate work of improvement, and completion of each unit is determined separately for purposes of the time for recording a claim of lien on that unit. This paragraph does not affect any lien right under Section 8402 or 8446.

(2) Material provided for the work of improvement is deemed to be provided for use or consumption in each separate residential unit in which the material is actually used or consumed; but if the claimant is unable to segregate the amounts used or consumed in separate residential units, the claimant has the right to all the benefits of Section 8446.

Article 5. Priorities

8450. (a) A lien under this chapter, other than a lien provided for in Section 8402, has priority over a lien, mortgage, deed of trust, or other encumbrance on the work of improvement or the *real* property on which the work of improvement is situated, that (1) attaches after commencement of the work of improvement or (2) was unrecorded at the commencement of the work of improvement and of which the claimant had no notice.

(b) Subdivision (a) is subject to the exception provided for in Section 8452.

8452. A mortgage or deed of trust, otherwise subordinate to a lien under Section 8450, has priority over a lien for work provided after recordation of a payment bond that satisfies all of the following requirements:

(a) The bond refers to the mortgage or deed of trust.

(b) The bond is in an amount not less than 75 percent of the principal amount of the mortgage or deed of trust.

8454. If a site improvement is provided for in a direct contract separate from the direct contract for the remainder of the work of improvement, the site improvement is deemed a separate work of improvement and commencement of the site improvement is not commencement of the remainder of the work of improvement.

8456. (a) This section applies to a construction loan secured by a mortgage or deed of trust that has priority over a lien under this chapter.

(b) An optional advance of funds by the construction lender that is used for construction costs has the same priority as a mandatory advance of funds by the construction lender, provided that the total of all advances does not exceed the amount of the original construction loan.

8458. (a) Except as provided in subdivision (b), a lien provided for in Section 8402 has priority over:

(1) A mortgage, deed of trust, or other encumbrance that attaches after commencement of the site improvement.

(2) A mortgage, deed of trust, or other encumbrance that was unrecorded at the commencement of the site improvement and of which the claimant had no notice.

(3) A mortgage, deed of trust, or other encumbrance that was recorded before commencement of the site improvement, if given

1 for the sole or primary purpose of financing the site improvement.
2 This subdivision does not apply if the loan proceeds are, in good
3 faith, placed in the control of the lender pursuant to a binding
4 agreement with the borrower to the effect that (A) the proceeds
5 are to be applied to the payment of claimants and (B) no portion
6 of the proceeds will be paid to the borrower in the absence of
7 satisfactory evidence that all claims have been paid or that the time
8 for recording a claim of lien has expired and no claim of lien has
9 been recorded.

10 (b) A mortgage or deed of trust, otherwise subordinate under
11 subdivision (a), has priority over a lien provided for in Section
12 8402 if a payment bond in an amount not less than 50 percent of
13 the principal amount of the mortgage or deed of trust is recorded
14 before completion of the work of improvement.

15
16 Article 6. Enforcement of Lien
17

18 8460. (a) The claimant shall commence an action to enforce
19 a lien within 90 days after recordation of the claim of lien. If the
20 claimant does not commence an action to enforce the lien within
21 that time, the claim of lien expires and is unenforceable.

22 (b) Subdivision (a) does not apply if the claimant and owner
23 agree to extend credit, and notice of the fact and terms of the
24 extension of credit is recorded (1) within 90 days after recordation
25 of the claim of lien or (2) more than 90 days after recordation of
26 the claim of lien but before a purchaser or encumbrancer for value
27 and in good faith acquires rights in the property. In that event the
28 claimant shall commence an action to enforce the lien within 90
29 days after the expiration of the credit, but in no case later than one
30 year after completion of the work of improvement. If the claimant
31 does not commence an action to enforce the lien within that time,
32 the claim of lien expires and is unenforceable.

33 8461. After commencement of an action to enforce a lien, the
34 plaintiff shall record in the office of the county recorder of the
35 county, or of the several counties in which the property is situated,
36 a notice of the pendency of the action, as provided in Title 4.5
37 (commencing with Section 405) of Part 2 of the Code of Civil
38 Procedure, on or before 20 days after the commencement of the
39 action. Only from the time of recording that notice shall a purchaser
40 or encumbrancer of the property affected thereby be deemed to

1 have constructive notice of the pendency of the action, and in that
2 event only of its pendency against parties designated by their real
3 names.

4 8462. Notwithstanding Section 583.420 of the Code of Civil
5 Procedure, ~~the court may dismiss if~~ an action to enforce a lien ~~that~~
6 is not brought to trial within two years after commencement of the
7 action, *the court may, in its discretion, dismiss the action for want*
8 *of prosecution.*

9 8464. In addition to any other costs allowed by law, the court
10 in an action to enforce a lien shall allow as costs to each claimant
11 whose lien is established the amount paid to verify and record the
12 claim of lien, whether the claimant is a plaintiff or defendant.

13 8466. If there is a deficiency of proceeds from the sale of
14 property on a judgment for enforcement of a lien, a deficiency
15 judgment may be entered against a party personally liable for the
16 deficiency in the same manner and with the same effect as in an
17 action to foreclose a mortgage.

18 8468. (a) This chapter does not affect any of the following
19 rights of a claimant:

20 (1) The right to maintain a personal action to recover a debt
21 against the person liable, either in a separate action or in an action
22 to enforce a lien.

23 (2) The right to a writ of attachment. In an application for a writ
24 of attachment, the claimant shall refer to this section. The
25 claimant's recording of a claim of lien does not affect the right to
26 a writ of attachment.

27 (3) The right to enforce a judgment.

28 (b) A judgment obtained by the claimant in a personal action
29 described in subdivision (a) does not impair or merge the claim of
30 lien, but any amount collected on the judgment shall be credited
31 on the amount of the lien.

32 8470. In an action to enforce a lien for work provided to a
33 contractor:

34 (a) The contractor shall defend the action at the contractor's
35 own expense. During the pendency of the action the owner may
36 withhold from the direct contractor the amount of the lien claim.

37 (b) If the judgment in the action is against the owner or the
38 owner's property, the owner may deduct the amount of the
39 judgment and costs from any amount owed to the direct contractor.

40 If the amount of the judgment and costs exceeds the amount owed

1 to the direct contractor, or if the owner has settled with the direct
2 contractor in full, the owner may recover from the direct contractor,
3 or the sureties on a bond given by the direct contractor for faithful
4 performance of the direct contract, the amount of the judgment
5 and costs that exceed the contract price and for which the direct
6 contractor was originally liable.

7
8 Article 7. Release Order
9

10 8480. (a) The owner of property *or the owner of any interest*
11 *in property* subject to a claim of lien may petition the court for an
12 order to release the property from the claim of lien if the claimant
13 has not commenced an action to enforce the lien within the time
14 provided in Section 8460.

15 (b) This article does not bar any other cause of action or claim
16 for relief by the owner of the property, ~~including, but not limited~~
17 ~~to, the filing of a complaint with the Contractors' State License~~
18 ~~Board.~~ A release order does not bar any other cause of action or
19 claim for relief by the claimant, other than an action to enforce the
20 claim of lien that is the subject of the release order.

21 (c) A petition for a release order under this article may be joined
22 with a pending action to enforce the claim of lien that is the subject
23 of the petition. No other action or claim for relief may be joined
24 with a petition under this article.

25 (d) Notwithstanding ~~Section—8054~~ 8056, Chapter 2.5
26 (commencing with Section 1141.10) of Title 3 of Part 3 of the
27 Code of Civil Procedure does not apply to a proceeding under this
28 article.

29 8482. An owner of property may not petition the court for a
30 release order under this article unless at least 10 days before filing
31 the petition the owner gives the claimant notice demanding that
32 the claimant execute and record a release of the claim of lien. The
33 notice shall comply with the requirements of ~~Article 3~~
34 ~~(commencing with Section 8100) of Chapter 1~~ Chapter 2
35 ~~(commencing with Section 8100) of Title 1,~~ and shall state the
36 grounds for the demand.

37 8484. A petition for a release order shall be verified and shall
38 allege all of the following:

39 (a) The date of recordation of the claim of lien. A certified copy
40 of the claim of lien shall be attached to the petition.

1 (b) The county in which the claim of lien is recorded.

2 (c) The book and page or series number of the place in the
3 official records where the claim of lien is recorded.

4 (d) The legal description of the property subject to the claim of
5 lien.

6 ~~(e) The facts on which the petition is based. If the petition is~~
7 ~~based on expiration of the time to enforce the lien, the petition~~
8 ~~shall state whether~~

9 (e) *Whether* an extension of credit has been granted under
10 Section 8460, if so to what date, and ~~shall allege~~ that the time for
11 commencement of an action to enforce the lien has expired.

12 (f) That the owner has given the claimant notice under Section
13 8482 demanding that the claimant execute and record a release of
14 the lien and that the claimant is unable or unwilling to do so or
15 cannot with reasonable diligence be found.

16 (g) Whether an action to enforce the lien is pending.

17 (h) Whether the owner *of the property or interest in the property*
18 has filed for relief in bankruptcy or there is another restraint that
19 prevents the claimant from commencing an action to enforce the
20 lien.

21 8486. (a) On the filing of a petition for a release order, the
22 clerk shall set a hearing date. The date shall be not more than 30
23 days after the filing of the petition. The court may continue the
24 hearing only on a showing of good cause, but in any event the
25 court shall rule and make any necessary orders on the petition not
26 later than 60 days after the filing of the petition.

27 (b) The petitioner shall serve a copy of the petition and a notice
28 of hearing on the claimant at least 15 days before the hearing.
29 Service shall be made in the same manner as service of summons,
30 or by certified or registered mail, postage prepaid, return receipt
31 requested, addressed to the claimant as provided in Section 8108.

32 (c) Notwithstanding Section 8116, when service is made by
33 mail, service is complete on the fifth day following deposit of the
34 petition and notice in the mail.

35 8488. (a) At the hearing both (1) the petition and (2) the issue
36 of compliance with the service and date for hearing requirements
37 of this article are deemed controverted by the claimant. The
38 petitioner has the initial burden of producing evidence on those
39 matters. The petitioner has the burden of proof as to the issue of
40 compliance with the service and date for hearing requirements of

1 this article. The claimant has the burden of proof as to the validity
2 of the lien.

3 (b) If judgment is in favor of the petitioner, the court shall order
4 the property released from the claim of lien.

5 (c) The prevailing party is entitled to reasonable attorney's fees.
6

7 Article 8. Removal of Claim of Lien from Record 8

9 8490. (a) A court order dismissing a cause of action to enforce
10 a lien or releasing property from a claim of lien, or a judgment
11 that no lien exists, shall include all of the following information:

12 (1) The date of recordation of the claim of lien.

13 (2) The county in which the claim of lien is recorded.

14 (3) The book and page or series number of the place in the
15 official records where the claim of lien is recorded.

16 (4) The legal description of the property.

17 (b) A court order or judgment under this section is equivalent
18 to cancellation of the claim of lien and its removal from the record.

19 (c) A court order or judgment under this section is a recordable
20 instrument. On recordation of a certified copy of the court order
21 or judgment, the property described in the order or judgment is
22 released from the claim of lien.

23 (d) This section does not apply to a court order dismissing an
24 action to enforce a lien that is expressly stated to be without
25 prejudice.

26 8494. If a claim of lien expires and is unenforceable under
27 Section 8460, or if a court order or judgment is recorded under
28 Section 8490, the claim of lien does not constitute actual or
29 constructive notice of any of the matters contained, claimed,
30 alleged, or contended in the claim of lien, or create a duty of
31 inquiry in any person thereafter dealing with the affected property.
32

33 CHAPTER 5. STOP PAYMENT NOTICE 34

35 Article 1. General Provisions 36

37 8500. The rights of all persons furnishing work for any work
38 of improvement, with respect to any fund for payment of
39 construction costs, are governed exclusively by this chapter, and
40 no person may assert any legal or equitable right with respect to

1 the fund, other than a right created by a written contract between
2 that person and the person holding the fund, except pursuant to
3 the provisions of this chapter.

4 8502. (a) A stop payment notice shall comply with the
5 requirements of ~~Section 8102~~ *Chapter 2 (commencing with Section*
6 *8100) of Title 1*, and shall be signed and verified by the claimant.

7 (b) The notice shall include a general description of work to be
8 provided, and an estimate of the total amount in value of the work
9 to be provided.

10 (c) The amount claimed in the notice may include only the
11 amount due the claimant for work provided through the date of
12 the notice.

13 8504. A claimant that willfully gives a false stop payment
14 notice or that willfully includes in the notice a demand to withhold
15 for work that has not been provided forfeits all right to participate
16 in the distribution of the funds withheld and all right to a lien under
17 Chapter 4 (commencing with Section 8400).

18 8506. (a) A stop payment notice to an owner shall be given
19 to the owner or to the owner's architect, if any.

20 (b) A stop payment notice to a construction lender holding
21 construction funds shall not be effective unless given to the
22 manager or other responsible officer or person at the office or
23 branch of the lender administering or holding the construction
24 funds.

25 (c) A stop payment notice shall comply with the requirements
26 of ~~Article 3 (commencing with Section 8100) of Chapter 1~~ *Chapter*
27 *2 (commencing with Section 8100) of Title 1*.

28 8508. A stop payment notice is not valid unless both of the
29 following conditions are satisfied:

30 (a) The claimant gave preliminary notice to the extent required
31 by Chapter 2 (commencing with Section 8200).

32 (b) The claimant gave the stop payment notice before expiration
33 of the time within which a claim of lien must be recorded under
34 Chapter 4 (commencing with Section 8400).

35 8510. (a) A person may obtain release of funds withheld
36 pursuant to a stop payment notice by giving the person withholding
37 the funds a release bond.

38 (b) A release bond shall be given by an admitted surety insurer
39 and shall be conditioned for payment of any amount not exceeding
40 the penal obligation of the bond that the claimant recovers on the

1 claim, together with costs of suit awarded in the action. The bond
2 shall be in an amount equal to 125 percent of the amount claimed
3 in the stop payment notice.

4 (c) On receipt of a release bond, the person withholding funds
5 pursuant to the stop payment notice shall release them.

6
7 Article 2. Stop Payment Notice to Owner
8

9 8520. (a) A person that has a lien right under Chapter 4
10 (commencing with Section 8400), other than a direct contractor,
11 may give the owner a stop payment notice.

12 (b) The owner may give notice, in compliance with the
13 requirements of ~~Article 3 (commencing with Section 8100) of~~
14 ~~Chapter 1 Chapter 2 (commencing with Section 8100) of Title 1,~~
15 demanding that a person that has a lien right under Chapter 4
16 (commencing with Section 8400) give the owner a stop payment
17 notice. If the person fails to give the owner a bonded or unbonded
18 stop payment notice, the person forfeits the right to a lien under
19 Chapter 4 (commencing with Section 8400).

20 8522. (a) Except as provided in subdivision (b), on receipt of
21 a stop payment notice an owner shall withhold from the direct
22 contractor or from any person acting under authority of a direct
23 contractor a sufficient amount due or to become due to the direct
24 contractor to pay the claim stated in the notice.

25 (b) The owner may, but is not required to, withhold funds if the
26 owner has previously recorded a payment bond under ~~Section 8602~~
27 ~~8600~~. If the owner does not withhold funds, the owner shall, within
28 30 days after receipt of the stop payment notice, give notice to the
29 claimant that a payment bond has been recorded and provide the
30 claimant a copy of the bond. The notice shall comply with the
31 requirements of ~~Article 3 (commencing with Section 8100) of~~
32 ~~Chapter 1 Chapter 2 (commencing with Section 8100) of Title 1.~~
33

34 Article 3. Stop Payment Notice to Construction Lender
35

36 8530. A person that has a lien right under Chapter 4
37 (commencing with Section 8400) may give a construction lender
38 a stop payment notice.

39 8532. A claimant may give a construction lender a stop
40 payment notice accompanied by a bond in an amount equal to 125

1 percent of the amount of the claim. The bond shall be conditioned
2 that if the defendant recovers judgment in an action to enforce
3 payment of the claim stated in the stop payment notice or to enforce
4 a claim of lien recorded by the claimant, the claimant will pay all
5 costs that are awarded the owner, direct contractor, or construction
6 lender, and all damages to the owner, direct contractor, or
7 construction lender that result from the stop payment notice or
8 recordation of the claim of lien, not exceeding the amount of the
9 bond.

10 8534. (a) A construction lender that objects to the sufficiency
11 of sureties on the bond given with a bonded stop payment notice
12 shall give notice to the claimant of the objection, within 20 days
13 after the bonded stop payment notice is given. The notice shall
14 comply with the requirements of ~~Article 3 (commencing with~~
15 ~~Section 8100) of Chapter 1 Chapter 2 (commencing with Section~~
16 ~~8100) of Title 1.~~

17 (b) The claimant may within 10 days after notice of the objection
18 is given substitute for the initial bond a bond executed by an
19 admitted surety insurer. If the claimant does not substitute a bond
20 executed by an admitted surety insurer, the construction lender
21 may disregard the bonded stop payment notice and release all funds
22 withheld in response to that notice.

23 8536. (a) Except as provided in subdivision (b), on receipt of
24 a stop payment notice a construction lender shall withhold from
25 the borrower or other person to whom the lender or the owner is
26 obligated to make payments or advancement out of the construction
27 fund sufficient funds to pay the claim stated in the notice.

28 (b) The construction lender may, at its option, elect not to
29 withhold funds in any of the following circumstances:

30 (1) The stop payment notice is unbonded.

31 (2) The stop payment notice is given by a claimant other than
32 a direct contractor, and a payment bond is recorded before the
33 lender is given any stop payment notice.

34 8538. (a) The claimant may make a written request for notice
35 of an election by the construction lender under Section 8536 not
36 to withhold funds. The request shall be made at the time the
37 claimant gives the construction lender the stop payment notice and
38 shall be accompanied by a preaddressed, stamped envelope.

39 (b) If the construction lender elects not to withhold funds under
40 Section 8536, the lender shall, within 30 days after making the

1 election, give notice of that fact to a claimant who has requested
2 notice of the election under subdivision (a). The notice shall
3 comply with the requirements of ~~Article 3 (commencing with~~
4 ~~Section 8100) of Chapter 1 Chapter 2 (commencing with Section~~
5 ~~8100) of Title 1~~. If the basis of the election is the recordation of a
6 payment bond under Section 8600, the construction lender shall
7 include a copy of the bond with the notice.

8 (c) A construction lender is not liable for failure to include a
9 copy of the bond with the notice under this section if all of the
10 following conditions are satisfied:

11 (1) The failure was not intentional and resulted from a bona fide
12 error.

13 (2) The lender maintains reasonable procedures to avoid an
14 error of that type.

15 (3) The lender corrected the error not later than 20 days after
16 the date the lender discovered the violation.

17
18 Article 4. Priorities
19

20 8540. (a) Funds withheld pursuant to a stop payment notice
21 shall be distributed in the following order of priority:

22 (1) First, to pay claims of persons that have given a bonded stop
23 payment notice. If funds are insufficient to pay the claims of those
24 persons in full, the funds shall be distributed pro rata among the
25 claimants in the ratio that the claim of each bears to the aggregate
26 of all claims for which a bonded stop payment notice is given.

27 (2) Second, to pay claims of persons that have given an
28 unbonded stop payment notice. If funds are insufficient to pay the
29 claims of those persons in full, the funds shall be distributed among
30 the claimants in the ratio that the claim of each bears to the
31 aggregate of all claims for which an unbonded stop payment notice
32 is given.

33 (b) Pro rata distribution under this section shall be made among
34 the persons entitled to share in the distribution without regard to
35 the order in which the person has given a stop payment notice or
36 commenced an enforcement action.

37 8542. Notwithstanding Section 8540:

38 (a) If funds are withheld pursuant to a stop payment notice given
39 to a construction lender by a direct contractor or subcontractor,
40 the direct contractor or subcontractor may recover only the net

1 amount due the direct contractor or subcontractor after deducting
2 any funds that are withheld by the construction lender pursuant to
3 the claims of subcontractors and material suppliers that have given
4 a stop payment notice for work done on behalf of the direct
5 contractor or subcontractor.

6 (b) In no event is the construction lender required to withhold,
7 pursuant to a stop payment notice, more than the net amount
8 provided in subdivision (a). Notwithstanding any other provision
9 of this chapter, a construction lender is not liable for failure to
10 withhold more than that net amount on receipt of a stop payment
11 notice.

12 8544. The rights of a claimant who gives a construction lender
13 a stop payment notice are not affected by an assignment of
14 construction loan funds made by the owner or direct contractor,
15 and the stop payment notice has priority over the assignment,
16 whether the assignment is made before or after the stop payment
17 notice is given.

18
19 Article 5. Enforcement of Claim Stated in Stop Payment Notice
20

21 ~~8550. (a) A claimant shall commence an action to enforce~~
22 ~~payment of the claim stated in a stop payment notice not earlier~~
23 ~~than 10 days after the date the claimant gives the notice and not~~
24 ~~later than 90 days after expiration of the time within which a stop~~
25 ~~payment notice must be given. The action may not be brought to~~
26 ~~trial or judgment entered before expiration of the time prescribed~~
27 ~~in this subdivision.~~

28 8550. (a) A claimant shall commence an action to enforce
29 payment of the claim stated in a stop payment notice at any time
30 after 10 days from the date the claimant gives the stop payment
31 notice.

32 (b) A claimant shall commence an action to enforce payment
33 of the claim stated in a stop payment notice not later than 90 days
34 after expiration of the time within which a stop payment notice
35 must be given.

36 (c) An action under this section may not be brought to trial or
37 judgment entered before expiration of the time provided in
38 subdivision (b).

39 (b)

1 (d) If a claimant does not commence an action to enforce
2 payment of the claim stated in a stop payment notice within the
3 time prescribed in subdivision ~~(a)~~ (b), the notice ceases to be
4 effective and the person withholding funds pursuant to the notice
5 shall release them.

6 ~~(e)~~

7 (e) Within five days after commencement of an action to enforce
8 payment of the claim stated in a stop payment notice, the claimant
9 shall give notice of commencement of the action to the persons to
10 whom the stop payment notice was given. The notice shall comply
11 with the requirements of ~~Article 3 (commencing with Section~~
12 ~~8100) of Chapter 1 Chapter 2 (commencing with Section 8100) of~~
13 *Title 1.*

14 8552. If more than one claimant has given a stop payment
15 notice:

16 (a) Any number of claimants may join in the same enforcement
17 action.

18 (b) If claimants commence separate actions, the court first
19 acquiring jurisdiction may order the actions consolidated.

20 (c) On motion of the owner or construction lender the court
21 shall require all claimants to be impleaded in one action, to the
22 end that the rights of all parties may be adjudicated in the action.

23 8554. Notwithstanding Section 583.420 of the Code of Civil
24 Procedure, ~~the court may dismiss if~~ an action to enforce payment
25 of the claim stated in a stop payment notice ~~that~~ is not brought to
26 trial within two years after commencement of the action, *the court*
27 *may in its discretion dismiss the action for want of prosecution.*

28 8556. A stop payment notice ceases to be effective, and a
29 person withholding funds pursuant to the notice shall release them,
30 in either of the following circumstances:

31 (a) An action to enforce payment of the claim stated in the stop
32 payment notice is dismissed, unless expressly stated to be without
33 prejudice.

34 (b) Judgment in an action to enforce payment of the claim stated
35 in the stop payment notice is against the claimant.

36 8558. (a) In an action to enforce payment of the claim stated
37 in a bonded stop payment notice, the prevailing party is entitled
38 to a reasonable attorney's fee in addition to costs and damages.

39 (b) The court, on notice and motion by a party, shall determine
40 who is the prevailing party or that there is no prevailing party for

1 the purpose of this section, regardless of whether the action
2 proceeds to final judgment. The prevailing party is the party that
3 recovers greater relief in the action, subject to the following
4 limitations:

5 (1) If the action is voluntarily dismissed or dismissed pursuant
6 to a settlement, there is no prevailing party.

7 (2) If the defendant tenders to the claimant the full amount to
8 which the claimant is entitled, and deposits in court for the claimant
9 the amount so tendered, and alleges those facts in the answer and
10 the allegation is determined to be true, the defendant is deemed to
11 be the prevailing party.

12 8560. If the claimant is the prevailing party in an action to
13 enforce payment of the claim stated in a bonded stop payment
14 notice, any amount awarded on the claim shall include interest at
15 the legal rate calculated from the date the stop payment notice is
16 given.

17 CHAPTER 6. PAYMENT BOND

18
19
20 8600. (a) This section applies if, before the commencement
21 of work, the owner in good faith files a direct contract with the
22 county recorder, and records a payment bond of the direct
23 contractor in an amount not less than 50 percent of the price stated
24 in the direct contract.

25 (b) If the conditions of subdivision (a) are satisfied, the court
26 shall, where equitable to do so, restrict lien enforcement under this
27 title to the aggregate amount due from the owner to the direct
28 contractor and shall enter judgment against the direct contractor
29 and surety on the bond for any deficiency that remains between
30 the amount due to the direct contractor and the whole amount due
31 to claimants.

32 8602. Section 8600 does not preclude an owner from requiring
33 a performance bond, payment bond, or other security as protection
34 against a direct contractor's failure to perform the direct contract
35 or to make full payment for all work provided pursuant to the
36 contract.

37 8604. (a) If a lending institution requires that a payment bond
38 be given as a condition of lending money to finance a work of
39 improvement, and accepts in writing as sufficient a bond given in
40 fulfillment of the requirement, the lending institution may not

1 thereafter object to the borrower as to the validity of the bond or
2 refuse to make the loan based on an objection to the bond if the
3 bond is given by an admitted surety insurer.

4 (b) *For purposes of this section, a “lending institution” includes*
5 *a commercial bank, savings and loan institution, credit union, or*
6 *other organization or person engaged in the business of financing*
7 *loans.*

8 8606. (a) A payment bond under this title shall be conditioned
9 for the payment in full of the claims of all claimants and shall by
10 its terms inure to the benefit of all claimants so as to give a claimant
11 a right of action to enforce the liability on the bond. The bond shall
12 be given by an admitted surety insurer.

13 (b) An owner, direct contractor, or subcontractor may be the
14 principal on the bond.

15 (c) A claimant may enforce the liability on the bond in an action
16 to enforce a lien under this part or in a separate action on the bond.

17 8608. (a) This title does not give a claimant a right to recover
18 on a direct contractor’s payment bond given under this chapter
19 unless the claimant provided work to the direct contractor either
20 directly or through one or more subcontractors, pursuant to a direct
21 contract.

22 (b) Nothing in this section affects the stop payment notice right
23 of, and relative priorities among, design professionals and holders
24 of secured interests in the *real* property.

25 8609. Any provision in a payment bond attempting by contract
26 to shorten the period prescribed in Section 337 of the Code of Civil
27 Procedure for the commencement of an action on the bond shall
28 not be valid under either of the following circumstances:

29 (a) If the provision attempts to limit the time for commencement
30 of an action on the bond to a shorter period than six months from
31 the completion of any work of improvement.

32 (b) As applied to any action brought by a claimant, unless the
33 bond is recorded before the work of improvement is commenced.

34 8610. Notwithstanding Section 8609, if a payment bond under
35 this title is recorded before completion of a work of improvement,
36 an action to enforce the liability on the bond may not be
37 commenced later than six months after completion of the work of
38 improvement.

1 8612. (a) In order to enforce a claim against a payment bond
2 under this title, a claimant shall give the preliminary notice
3 provided in Chapter 2 (commencing with Section 8200).

4 (b) If preliminary notice was not given as provided in Chapter
5 2 (commencing with Section 8200), a claimant may enforce a
6 claim by giving written notice to the surety and the bond principal
7 within 15 days after recordation of a notice of completion. If no
8 notice of completion has been recorded, the time for giving written
9 notice to the surety and the bond principal is extended to 75 days
10 after completion of the work of improvement.

11 8614. *Notice to the principal and surety under Section 8612*
12 *shall comply with the requirements of Chapter 2 (commencing*
13 *with Section 8100) of Title 1.*

14 CHAPTER 7. SECURITY FOR LARGE PROJECT

15 Article 1. Application of Chapter

16
17
18
19 8700. (a) This chapter applies if any of the following
20 conditions is satisfied:

21 (1) The owner of the fee interest in property contracts for a work
22 of improvement on the property with a contract price greater than
23 five million dollars (\$5,000,000).

24 (2) The owner of a less than fee interest in property, *including*
25 *a leasehold interest*, contracts for a work of improvement on the
26 property with a contract price greater than one million dollars
27 (\$1,000,000).

28 (b) For the purpose of this section:

29 (1) The owner of the fee interest in property is not deemed to
30 be the owner of a less than fee interest by reason of a mortgage,
31 deed of trust, ground lease, or other lien or encumbrance or right
32 of occupancy that encumbers the fee interest.

33 (2) A lessee of *real* property is deemed to be the owner of a fee
34 interest in the *real* property if all of the following conditions are
35 satisfied:

36 (A) The initial term of the lease is at least 35 years.

37 (B) The lease covers one or more lawful parcels under the
38 Subdivision Map Act, Division 2 (commencing with Section
39 66410) of Title 7 of the Government Code, and any applicable
40 local ordinance adopted under that act, in their entirety, including,

1 but not limited to, a parcel approved pursuant to a certificate of
2 compliance proceeding.

3 8702. This chapter does not apply to any of the following works
4 of improvement:

5 (a) A single-family residence, including a single-family
6 residence located within a subdivision, and any associated fixed
7 work that requires the services of a general engineering contractor
8 as defined in Section 7056 of the Business and Professions Code.
9 As used in this subdivision, “single-family residence” means a
10 real property improvement used or intended to be used as a
11 dwelling unit for one family.

12 (b) A housing development eligible for a density bonus under
13 Section 65915 of the Government Code.

14 8704. This chapter does not apply to any of the following
15 owners:

16 (a) A qualified publicly traded company or a wholly owned
17 subsidiary of a qualified publicly traded company, if the obligations
18 of the subsidiary pursuant to the contract for the work of
19 improvement are guaranteed by the parent. As used in this
20 subdivision, “qualified publicly traded company” means a company
21 having a class of equity securities listed for trading on the New
22 York Stock Exchange, the American Stock Exchange, or the
23 NASDAQ stock market, and the nonsubordinated debt securities
24 of which are rated as “investment grade” by either Fitch IBCA,
25 Inc., Moody’s Investor Services, Inc., Standard & Poor’s Ratings
26 Services, or a similar statistical rating organization that is nationally
27 recognized for rating the creditworthiness of a publicly traded
28 company. If at any time before final payment of all amounts due
29 pursuant to the contract the nonsubordinated debt securities of the
30 qualified publicly traded company are downgraded to below
31 “investment grade” by any of those rating organizations, the owner
32 is no longer exempt from this chapter.

33 (b) A qualified private company or a wholly owned subsidiary
34 of a qualified private company, if the obligations of the subsidiary
35 pursuant to the contract for the work of improvement are
36 guaranteed by the parent. As used in this subdivision, “qualified
37 private company” means a company that has no equity securities
38 listed for trading on the New York Stock Exchange, the American
39 Stock Exchange, or the NASDAQ stock market, and that has a net
40 worth determined in accordance with generally accepted accounting

1 principles in excess of fifty million dollars (\$50,000,000). If at
2 any time before final payment of all amounts due pursuant to the
3 contract the net worth of the qualified private company is reduced
4 below that level, the owner is no longer exempt from this chapter.

5
6 Article 2. Security Requirement
7

8 8710. An owner *described in subdivision (a) of Section 8700*
9 shall provide the direct contractor all of the following:

10 (a) Security for the owner's payment obligation pursuant to the
11 contract. The security shall be used only if the owner defaults on
12 the payment obligation to the direct contractor. This subdivision
13 does not apply to an owner that is the majority owner of the direct
14 contractor.

15 (b) A copy, certified by the county recorder, of any recorded
16 mortgage or deed of trust that secures the construction loan of a
17 lending institution for the work of improvement, disclosing the
18 amount of the loan.

19 8712. If an owner fails to provide or maintain the security
20 required by this chapter, the direct contractor may give the owner
21 notice demanding security. The notice shall comply with the
22 requirements of ~~Article 3 (commencing with Section 8100) of~~
23 ~~Chapter 1 Chapter 2 (commencing with Section 8100) of Title 1.~~
24 If the owner does not provide or maintain the security within 10
25 days after notice demanding security is given, the direct contractor
26 may suspend work until the owner provides or maintains the
27 security.

28 8714. It is against public policy to waive the provisions of this
29 chapter by contract.

30 8716. This chapter does not affect any statute providing a
31 ~~subcontractor the right to record a claim of lien, give a stop~~
32 ~~payment notice, assert a claim against a payment bond, or receive~~
33 ~~prompt payment for mechanics liens, stop payment notices, bond~~
34 ~~remedies, or prompt payment rights of a subcontractor,~~ including
35 the direct contractor's payment responsibilities under Section
36 7108.5 of the Business and Professions Code.

Article 3. Form of Security

8720. An owner shall provide security by any of the following means:

- (a) A bond that satisfies Section 8722.
- (b) An irrevocable letter of credit that satisfies Section 8724.
- (c) An escrow account that satisfies Section 8726.

8722. A bond under this chapter shall satisfy all of the following requirements:

(a) The bond shall be executed by an admitted surety insurer that is either listed in the Department of the Treasury's Listing of Approved Sureties (Department Circular 570) or that has an A.M. Best rating of A or better and has an underwriting limitation, under Section 12090 of the Insurance Code, greater than the amount of the bond.

(b) The bond shall be in an amount not less than 15 percent of the contract price for the work of improvement or, if the work of improvement is to be substantially completed within six months after the commencement of work, not less than 25 percent of the contract price.

(c) The bond shall be conditioned for payment on default by the owner of any undisputed amount pursuant to the contract that is due and payable for more than 30 days.

8724. An irrevocable letter of credit under this chapter shall satisfy all of the following requirements:

(a) The letter of credit shall be issued by a financial institution, as defined in Section 5107 of the Financial Code, inuring to the benefit of the direct contractor.

(b) The letter of credit shall be in an amount not less than 15 percent of the contract price for the work of improvement or, if the work of improvement is to be substantially completed within six months after the commencement of work, not less than 25 percent of the contract price.

(c) The maturity date and other terms of the letter of credit shall be determined by agreement between the owner, the direct contractor, and the financial institution, except that the owner shall maintain the letter of credit in effect until the owner has satisfied its payment obligation to the direct contractor.

8726. An escrow account under this chapter shall satisfy all of the following requirements:

1 (a) The account shall be designated as a “construction security
2 escrow account.”

3 (b) The account shall be located in this state and maintained
4 with an escrow agent licensed under the Escrow Law, Division 6
5 (commencing with Section 17000) of the Financial Code, or with
6 any person exempt from the Escrow Law under paragraph (1) or
7 (3) of subdivision (a) of Section 17006 of the Financial Code.

8 (c) The owner shall deposit funds in the account in the amount
9 provided in Section 8728. This chapter does not require a
10 construction lender to agree to deposit proceeds of a construction
11 loan in the account.

12 (d) The owner shall grant the direct contractor a perfected, first
13 priority security interest in the account and in all funds deposited
14 by the owner in the account and in their proceeds, established to
15 the reasonable satisfaction of the direct contractor, which may be
16 by a written opinion of legal counsel for the owner.

17 (e) The funds on deposit in the account shall be the sole property
18 of the owner, subject to the security interest of the direct contractor.
19 The owner and the direct contractor shall instruct the escrow holder
20 to hold the funds on deposit in the account for the purpose of
21 perfecting the direct contractor’s security interest in the account
22 and to disburse those funds only on joint authorization of the owner
23 and the direct contractor, or pursuant to a court order that is binding
24 on both of them.

25 8728. The following provisions govern a deposit to or
26 disbursement from a construction security escrow account under
27 this chapter:

28 (a) Before the commencement of work the owner shall make
29 an initial deposit to the account in an amount not less than 15
30 percent of the contract price for the work of improvement or, if
31 the work of improvement is to be substantially completed within
32 six months after the commencement of work, not less than 25
33 percent of the contract price.

34 (b) If the contract provides for a retention to be withheld from
35 a periodic payment to the direct contractor, the owner shall deposit
36 to the account the amount withheld as retention at the time the
37 owner makes the corresponding payment to the direct contractor
38 from which the retention is withheld.

39 (c) The amount required to be maintained on deposit shall not
40 exceed the total amount remaining to be paid to the direct

contractor pursuant to the contract or as adjusted by agreement between the owner and the direct contractor. If the amount on deposit equals or exceeds the total amount remaining to be paid to the direct contractor, the owner and the direct contractor shall authorize disbursement to the direct contractor for progress payments then due the direct contractor, but a party is not obligated to authorize disbursement that would cause the amount remaining on deposit following the disbursement to be less than the total amount remaining to be paid to the direct contractor.

(d) The owner and the direct contractor shall authorize the disbursement to the owner of any funds remaining on deposit after the direct contractor has been paid all amounts due pursuant to the contract. The owner and the direct contractor shall authorize the disbursement of funds on deposit pursuant to a court order that is binding on both of them. The owner and the direct contractor may agree in the contract to additional conditions for the disbursement of funds on deposit, except that the conditions may not cause the amount remaining on deposit to be less than the amount required under this section.

8730. If the contract price for a work of improvement is not a fixed price, the amount of security provided under this chapter shall be the guaranteed maximum price or, if there is no guaranteed maximum price, the owner's and direct contractor's good faith estimate of the reasonable value of the work to be provided pursuant to the contract.

CHAPTER 8. PROMPT PAYMENT

Article 1. Progress Payment

8800. (a) Except as otherwise agreed in writing by the owner and direct contractor, the owner shall pay the direct contractor, within 30 days after notice demanding payment pursuant to the contract *is given*, any progress payment due as to which there is no good faith dispute between them. The notice given shall comply with the requirements of ~~Article 3 (commencing with Section 8100) of Chapter 1~~ Chapter 2 (commencing with Section 8100) of Title 1.

(b) If there is a good faith dispute between the owner and direct contractor as to a progress payment due, the owner may withhold

1 from the progress payment an amount not in excess of 150 percent
2 of the disputed amount.

3 (c) An owner that violates this section is liable to the direct
4 contractor for a penalty of 2 percent per month on the amount
5 wrongfully withheld, in place of any interest otherwise due. In an
6 action for collection of the amount wrongfully withheld, the
7 prevailing party is entitled to costs and a reasonable attorney's fee.

8 (d) This section does not supersede any requirement of Article
9 2 (commencing with Section 8810) relating to the withholding of
10 a retention.

11 8802. (a) This section applies to a contract between a public
12 utility and a direct contractor for all or part of a work of
13 improvement.

14 (b) Unless the direct contractor and a subcontractor otherwise
15 agree in writing, within 21 days after receipt of a progress payment
16 from the public utility the direct contractor shall pay the
17 subcontractor the amount allowed the direct contractor on account
18 of the work performed by the subcontractor to the extent of the
19 subcontractor's interest in the work. If there is a good faith dispute
20 over all or part of the amount due on a progress payment from the
21 direct contractor to a subcontractor, the direct contractor may
22 withhold an amount not in excess of 150 percent of the disputed
23 amount.

24 (c) A direct contractor that violates this section is liable to the
25 subcontractor for a penalty of 2 percent of the disputed amount
26 due per month for every month that payment is not made. In an
27 action for collection of the amount wrongfully withheld, the
28 prevailing party is entitled to costs and a reasonable attorney's fee.

29 (d) This section does not limit or impair a contractual,
30 administrative, or judicial remedy otherwise available to a
31 contractor or subcontractor in a dispute involving late payment or
32 nonpayment by the contractor or deficient performance or
33 nonperformance by the subcontractor.

34 Article 2. Retention Payment

35
36
37 8810. This article governs a retention payment withheld by an
38 owner from a direct contractor or by a direct contractor from a
39 subcontractor.

1 8812. (a) If an owner withholds a retention from a direct
2 contractor, the owner shall, within 45 days after completion of the
3 work of improvement, pay the retention to the contractor.

4 (b) If part of a work of improvement ultimately will become
5 the property of a public entity, the owner may condition payment
6 of a retention allocable to that part on acceptance of the part by
7 the public entity.

8 (c) If there is a good faith dispute between the owner and direct
9 contractor as to a retention payment due, the owner may withhold
10 from final payment an amount not in excess of 150 percent of the
11 disputed amount.

12 8814. (a) If a direct contractor has withheld a retention from
13 ~~a subcontractor~~ *one or more subcontractors*, the direct contractor
14 shall, within 10 days after receiving all or part of a retention
15 payment, ~~pay the~~ *to each subcontractor its* ~~from whom retention~~
16 ~~has been withheld that subcontractor's~~ share of the payment.

17 (b) If a retention received by the direct contractor is specifically
18 designated for a particular subcontractor, the direct contractor shall
19 pay the retention payment to the designated subcontractor, if
20 consistent with the terms of the subcontract.

21 (c) If a good faith dispute exists between the direct contractor
22 and a subcontractor, the direct contractor may withhold from the
23 retention to the subcontractor an amount not in excess of 150
24 percent of the estimated value of the disputed amount.

25 8816. (a) If the direct contractor gives the owner, or a
26 subcontractor gives the direct contractor, notice that work in dispute
27 has been completed in accordance with the contract, the owner or
28 direct contractor shall within 10 days give notice advising the
29 notifying party of the acceptance or rejection of the disputed work.
30 Both notices shall comply with the requirements of ~~Article 3~~
31 ~~(commencing with Section 8100) of Chapter 1~~ *Chapter 2*
32 ~~(commencing with Section 8100) of Title 1.~~

33 (b) Within 10 days after acceptance of disputed work, the owner
34 or direct contractor shall pay the portion of the retention relating
35 to the disputed work.

36 8818. If an owner or direct contractor does not make a retention
37 payment within the time required by this article:

38 (a) The owner or direct contractor is liable to the person to which
39 payment is owed for a penalty of 2 percent per month on the

1 amount wrongfully withheld, in place of any interest otherwise
2 due.

3 (b) In an action for collection of the amount wrongfully
4 withheld, the prevailing party is entitled to costs and reasonable
5 attorney's fees.

6 8820. It is against public policy to waive the provisions of this
7 article by contract.

8 8822. This article does not apply to a retention payment
9 withheld by a lender pursuant to a construction loan agreement.

11 Article 3. Stop Work Notice

12
13 8830. "Stop work notice" means notice given under this article
14 by a direct contractor to an owner that the contractor will stop
15 work if the amount owed the contractor is not paid within 10 days
16 after notice is given.

17 8832. If a direct contractor is not paid the amount due pursuant
18 to a written contract within 35 days after the date payment is due
19 under the contract, and there is no dispute as to the satisfactory
20 performance of the contractor, the contractor may give the owner
21 a stop work notice. The notice shall comply with the requirements
22 of ~~Article 3 (commencing with Section 8100) of Chapter 1~~ *Chapter 2*
23 *2 (commencing with Section 8100) of Title 1.*

24 8834. A direct contractor that gives an owner a stop work notice
25 shall give the following additional notice:

26 (a) At least five days before giving the stop work notice, the
27 contractor shall post notice of intent to give a stop work notice.
28 The notice shall comply with the requirements of ~~Article 3~~
29 ~~(commencing with Section 8100) of Chapter 1~~ *Chapter 2*
30 *(commencing with Section 8100) of Title 1. In addition to posting*
31 *the notice pursuant to Section 8114, the notice shall also be posted*
32 *at the main office of the site, if one exists.*

33 (b) At the same time the contractor gives the stop work notice,
34 the contractor shall give a copy of the stop work notice to all
35 subcontractors with whom the contractor has a direct contractual
36 relationship on the work of improvement.

37 8836. Within five days after receipt of a stop work notice from
38 a direct contractor, the owner shall give a copy of the notice to the
39 construction lender, if any. The copy of the notice shall be given
40 in compliance with the requirements of ~~Article 3 (commencing~~

1 ~~with Section 8100) of Chapter 1~~ Chapter 2 (commencing with
2 Section 8100) of Title 1.

3 8838. (a) The direct contractor or the direct contractor's surety,
4 or a subcontractor or a subcontractor's surety, is not liable for
5 delay or damage that the owner or a *contractor of a* subcontractor
6 may suffer as a result of the direct contractor giving a stop work
7 notice and subsequently stopping work for nonpayment, if the
8 notice and posting requirements of this article are satisfied.

9 (b) A direct contractor's or *original* subcontractor's liability to
10 a subcontractor or material supplier after the direct contractor stops
11 work under this article is limited to the amount the subcontractor
12 or material supplier could otherwise recover under this title for
13 work provided up to the date the subcontractor or material supplier
14 ceases work, subject to the following exceptions:

15 (1) The direct contractor's or *original* subcontractor's liability
16 continues for work provided up to and including the 10-day notice
17 period and not beyond.

18 (2) This subdivision does not limit liability for custom work,
19 including materials that have been fabricated, manufactured, or
20 ordered to specifications that are unique to the job.

21 8840. On resolution of the claim in the stop work notice or the
22 direct contractor's cancellation of the stop work notice, the
23 contractor shall post, and give subcontractors with whom the
24 contractor has a direct contractual relationship on the work of
25 improvement, notice of the resolution or cancellation. The notice
26 shall comply with the requirements of ~~Article 3 (commencing with~~
27 ~~Section 8100) of Chapter 1~~ Chapter 2 (commencing with Section
28 8100) of Title 1. *In addition to posting the notice pursuant to*
29 *Section 8114, the notice shall also be posted at the main office of*
30 *the site, if one exists.*

31 8842. A direct contractor's right to stop work under this article
32 is in addition to other rights the direct contractor may have under
33 the law.

34 8844. (a) If payment of the amount claimed is not made within
35 10 days after a stop work notice is given, the direct contractor, the
36 direct contractor's surety, or an owner may in an expedited
37 proceeding in the superior court in the county in which the private
38 work of improvement is located, seek a judicial determination of
39 liability for the amount due.

(b) The expedited proceeding shall be set for hearing or trial at the earliest possible date in order that it shall be quickly heard and determined, and shall take precedence over all other cases except older matter of the same character and other matters to which special precedence has been given.

8846. It is against public policy to waive the provisions of this article by contract.

8848. (a) This article applies to a contract entered into on or after January 1, 1999.

(b) This article does not apply to a retention withheld by a lender pursuant to a construction loan agreement.

TITLE 2. 3. PUBLIC WORK OF IMPROVEMENT

~~CHAPTER 1. DEFINITIONS~~

~~9000. Unless the provision or context otherwise requires, the definitions in this chapter govern the construction of this title.~~

~~9002. "Claimant" means a person that has a right under this title to give a stop payment notice or assert a claim against a payment bond.~~

~~9004. "Design professional" means a person licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, or licensed as a land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code.~~

~~9006. "Direct contractor" means a contractor that has a direct contractual relationship with a public entity. With respect to the amount due or to become due to a direct contractor, the term includes the direct contractor's assignee.~~

~~9008. "Funds" means warrant, check, money, or bonds (if bonds are to be issued in payment of the public works contract).~~

~~9010. "Labor, service, equipment, or material" includes, but is not limited to, labor, skills, services, material, supplies,~~

1 ~~equipment, appliances, power, and surveying, provided pursuant~~
2 ~~to a public works contract.~~

3 ~~9012. (a) “Laborer” means a person who, acting as an~~
4 ~~employee, performs labor, or bestows skill or other necessary~~
5 ~~services, pursuant to a public works contract.~~

6 ~~(b) “Laborer” includes a person or entity to which a portion of~~
7 ~~a laborer’s compensation for a public works contract, including,~~
8 ~~but not limited to, employer payments described in Section 1773.1~~
9 ~~of the Labor Code and implementing regulations, is paid by~~
10 ~~agreement with that laborer or the collective bargaining agent of~~
11 ~~that laborer.~~

12 ~~(c) A person or entity described in subdivision (b) that has~~
13 ~~standing under applicable law to maintain a direct legal action, in~~
14 ~~its own name or as an assignee, to collect any portion of~~
15 ~~compensation owed for a laborer for work pursuant to a public~~
16 ~~works contract, shall have standing to enforce any rights or claims~~
17 ~~of the laborer under this title, to the extent of the compensation~~
18 ~~agreed to be paid to the person or entity for that work. This~~
19 ~~subdivision is intended to give effect to the longstanding public~~
20 ~~policy of this state to protect the entire compensation of a laborer,~~
21 ~~regardless of the form in which that compensation is to be paid.~~

22 ~~9014. “Payment bond” means a payment bond required by~~
23 ~~Section 9550.~~

24 ~~9016. “Person” means an individual, corporation, public entity,~~
25 ~~business trust, estate, trust, partnership, limited liability company,~~
26 ~~association, or other entity.~~

27 ~~9018. “Preliminary notice” means the notice provided for in~~
28 ~~Chapter 3 (commencing with Section 9300).~~

29 ~~9020. (a) “Public entity” has the meaning provided in Section~~
30 ~~1100 of the Public Contract Code and includes all of the following:~~

31 ~~(1) The Regents of the University of California.~~

32 ~~(2) An officer authorized to act for a public entity.~~

33 ~~(b) A reference in this title to a public entity means the public~~
34 ~~entity that awarded the public works contract.~~

35 ~~9022. “Public works contract” has the meaning provided in~~
36 ~~Section 1101 of the Public Contract Code.~~

37 ~~9024. “Site” means the property on which a public works~~
38 ~~contract is performed or is to be performed.~~

39 ~~9026. “Stop payment notice” means a notice given under~~
40 ~~Chapter 4 (commencing with Section 9350). A reference in another~~

1 statute to a “stop notice” in connection with the remedies provided
2 in this title means a stop payment notice.

3 9028. “Subcontractor” means a contractor that does not have
4 a direct contractual relationship with a public entity. The term
5 includes a contractor who has a contractual relationship with a
6 direct contractor or with another subcontractor.

7 9030. “Work” means labor, service, equipment, or material
8 provided pursuant to a public works contract.

9 9032. (a) “Work of improvement” includes, but is not limited
10 to:

11 (1) Construction, alteration, repair, demolition, or removal, in
12 whole or in part, of, or addition to, a building, wharf, bridge, ditch,
13 flume, aqueduct, well, tunnel, fence, machinery, railroad, or road.

14 (2) Seeding, sodding, or planting of property for landscaping
15 purposes.

16 (3) Filling, leveling, or grading of property.

17 (b) Except as otherwise provided in this title, “work of
18 improvement” means the entire structure or scheme of
19 improvement as a whole, and includes site improvement.

20 CHAPTER 2. GENERAL PROVISIONS

21 Article 1. Miscellaneous Provisions

22
23
24 9050. (a) This title is operative on January 1, 2012.

25 (b) Except as otherwise provided in this section, this title applies
26 to a public works contract executed before, on, or after the
27 operative date.

28 (c) The effectiveness of a notice given or other action taken on
29 a public works contract before the operative date is governed by
30 the applicable law in effect before the operative date and not by
31 this title.

32 (d) A provision of this title, insofar as it is substantially the same
33 as a previously existing provision relating to the same subject
34 matter, shall be construed as a restatement and continuation thereof
35 and not as a new enactment.

36 9052. (a) This title applies to a public works contract awarded
37 by a public entity.

38 (b) This title does not apply to a transaction governed by
39 Sections 20457 to 20464, inclusive, of the Public Contract Code.
40

1 ~~9054. (a) This title does not apply to or change improvement~~
2 ~~security under the Subdivision Map Act, Division 2 (commencing~~
3 ~~with Section 66410) of Title 7 of the Government Code.~~

4 ~~(b) The Bond and Undertaking Law, Chapter 2 (commencing~~
5 ~~with Section 995.010) of Title 14 of Part 2 of the Code of Civil~~
6 ~~Procedure, applies to a bond given under this title, except to the~~
7 ~~extent this title prescribes a different rule or is inconsistent.~~

8 ~~9056. (a) Except as provided in subdivision (b), any of the~~
9 ~~following persons that have not been paid in full may give a stop~~
10 ~~payment notice to the public entity or assert a claim against a~~
11 ~~payment bond:~~

12 ~~(1) A person that provides work for a public works contract, if~~
13 ~~the work is authorized by a direct contractor, subcontractor,~~
14 ~~architect, project manager, or other person having charge of all or~~
15 ~~part of the public works contract.~~

16 ~~(2) A laborer.~~

17 ~~(3) A person described in Section 4107.7 of the Public Contract~~
18 ~~Code.~~

19 ~~(b) A direct contractor may not give a stop payment notice or~~
20 ~~assert a claim against a payment bond under this title.~~

21 ~~9058. Except as otherwise provided in this title, Part 2~~
22 ~~(commencing with Section 307) of the Code of Civil Procedure~~
23 ~~provides the rules of practice in proceedings under this title.~~

24 ~~9060. For purposes of this title, the term “day” means a~~
25 ~~calendar day.~~

26 ~~9062. An act that may be done by or to a person under this title~~
27 ~~may be done by or to the person’s agent to the extent the act is~~
28 ~~within the scope of the agent’s authority.~~

29 ~~9064. None of the following releases a surety from liability on~~
30 ~~a bond given under this title:~~

31 ~~(a) A change to a contract, plan, specification, or agreement for~~
32 ~~a public works contract or for work provided for a public works~~
33 ~~contract.~~

34 ~~(b) A change to the terms of payment or an extension of the~~
35 ~~time for payment for a public works contract.~~

36 ~~(c) A rescission or attempted rescission of a contract, agreement,~~
37 ~~or bond.~~

38 ~~(d) A condition precedent or subsequent in the bond purporting~~
39 ~~to limit the right of recovery of a claimant otherwise entitled to~~
40 ~~recover pursuant to a contract, agreement, or bond.~~

1 ~~(e) In the case of a bond given for the benefit of claimants, the~~
2 ~~fraud of a person other than the claimant seeking to recover on the~~
3 ~~bond.~~

4
5 Article 2. Notice
6

7 ~~9100. (a) Notice under this title shall be in writing. Writing~~
8 ~~includes printing and typewriting.~~

9 ~~(b) Written notice under this title may be given by electronic~~
10 ~~communication to the extent authorized under Section 9112.~~

11 ~~9102. (a) Notice under this title shall, in addition to any other~~
12 ~~information required by statute for that type of notice, include all~~
13 ~~of the following information to the extent known to the person~~
14 ~~giving the notice:~~

15 ~~(1) The name and address of the public entity.~~

16 ~~(2) The name and address of the direct contractor.~~

17 ~~(3) A description of the site sufficient for identification,~~
18 ~~including the street address of the site, if any. If a sufficient legal~~
19 ~~description of the site is given, the effectiveness of the notice is~~
20 ~~not affected by the fact that the street address is erroneous or is~~
21 ~~omitted.~~

22 ~~(4) The name, address, and relationship to the parties of the~~
23 ~~person giving the notice.~~

24 ~~(5) If the person giving the notice is a claimant:~~

25 ~~(A) A general statement of the labor, service, equipment, or~~
26 ~~material provided or to be provided by the claimant.~~

27 ~~(B) The name of the person that contracted for the labor, service,~~
28 ~~equipment, or material provided or to be provided.~~

29 ~~(C) A statement or estimate of the claimant's demand, if any,~~
30 ~~after deducting all just credits and offsets.~~

31 ~~(b) Notice is not invalid by reason of any variance from the~~
32 ~~requirements of this section if the notice is sufficient to~~
33 ~~substantially inform the person given notice of the information~~
34 ~~required by this section and other information required in the~~
35 ~~notice.~~

36 ~~9104. (a) A direct contractor or subcontractor that employs a~~
37 ~~laborer and fails to pay the full compensation due the laborer,~~
38 ~~including any employer payments described in Section 1773.1 of~~
39 ~~the Labor Code and implementing regulations, shall not later than~~
40 ~~the date the compensation became delinquent, give the laborer,~~

1 the laborer's bargaining representative, if any, and the public entity;
2 notice that includes all of the following information, in addition
3 to the information specified in Section 9102:

4 (1) ~~The name and address of the laborer, and of any person or~~
5 ~~entity described in subdivision (b) of Section 9012 to which~~
6 ~~employer payments are due.~~

7 (2) ~~The total number of straight time and overtime hours worked~~
8 ~~by the laborer on each job.~~

9 (3) ~~The amount then past due and owing.~~

10 (b) ~~Failure to give the notice required by subdivision (a)~~
11 ~~constitutes grounds for disciplinary action under the Contractors'~~
12 ~~State License Law, Chapter 9 (commencing with Section 7000)~~
13 ~~of Division 3 of the Business and Professions Code.~~

14 9106. ~~Except as otherwise provided by statute, notice under~~
15 ~~this title shall be given by any of the following means:~~

16 (a) ~~Personal delivery.~~

17 (b) ~~Mail in the manner provided in Section 9112.~~

18 (c) ~~Leaving the notice and mailing a copy in the manner~~
19 ~~provided in Section 415.20 of the Code of Civil Procedure for~~
20 ~~service of summons and complaint in a civil action.~~

21 9108. ~~Except as otherwise provided under this title, notice~~
22 ~~under this title shall be given to the person to be notified at the~~
23 ~~following addresses:~~

24 (a) ~~If the person to be notified is the public entity, at the office~~
25 ~~of the public entity or at another address specified by the public~~
26 ~~entity in the contract or elsewhere for service of notices, papers,~~
27 ~~and other documents.~~

28 (b) ~~If the person to be notified is a direct contractor or a~~
29 ~~subcontractor, at the contractor's residence or place of business,~~
30 ~~or at the contractor's address shown on the building permit, on the~~
31 ~~contractor's contract, or on the records of the Contractors' State~~
32 ~~License Board.~~

33 (c) ~~If the person to be notified is a claimant, at the claimant's~~
34 ~~residence or place of business, or at the claimant's address shown~~
35 ~~on the claimant's contract, preliminary notice, stop payment notice,~~
36 ~~or claim against a payment bond, or on the records of the~~
37 ~~Contractors' State License Board.~~

38 (d) ~~If the person to be notified is the surety on a bond, at the~~
39 ~~surety's residence or place of business, or at the surety's address~~

1 ~~shown on the bond for service of notices, papers, and other~~
2 ~~documents, or on the records of the Department of Insurance.~~

3 ~~9110. Notice given by mail under this title shall be given by~~
4 ~~registered or certified mail, express mail, or overnight delivery by~~
5 ~~an express service carrier.~~

6 ~~9112. (a) As used in this section, “electronic record” has the~~
7 ~~meaning provided in Section 1633.2 of the Civil Code.~~

8 ~~(b) A notice under this title may be given to a person in the form~~
9 ~~of an electronic record if the person has agreed in writing to receive~~
10 ~~the notice in the form of an electronic record.~~

11 ~~(c) If a person that has agreed to receive a notice in the form of~~
12 ~~an electronic record is a consumer within the meaning of Section~~
13 ~~7006 of Title 15 of the United States Code, the person’s agreement~~
14 ~~shall satisfy the requirements of Section 7001 of Title 15 of the~~
15 ~~United States Code relating to consumer consent to an electronic~~
16 ~~record.~~

17 ~~9114. Notice under this title is complete and deemed to have~~
18 ~~been given at the following times:~~

19 ~~(a) If given by personal delivery, when delivered.~~

20 ~~(b) If given by mail, when deposited in the mail or with an~~
21 ~~express service carrier in the manner provided in Section 1013 of~~
22 ~~the Code of Civil Procedure.~~

23 ~~(c) If given by leaving the notice and mailing a copy in the~~
24 ~~manner provided in Section 415.20 of the Code of Civil Procedure~~
25 ~~for service of summons in a civil action, five days after mailing.~~

26 ~~(d) If given in the form of an electronic record, when the~~
27 ~~electronic record is transmitted.~~

28 ~~9116. (a) Proof that notice was given to a person in the manner~~
29 ~~required by this title shall be made by a proof of notice declaration~~
30 ~~that states all of the following:~~

31 ~~(1) The type or description of the notice given.~~

32 ~~(2) The date, place, and manner of notice and facts showing~~
33 ~~that notice was given in the manner required by statute.~~

34 ~~(3) The name and address of the person to which notice was~~
35 ~~given, and, if appropriate, the title or capacity in which the person~~
36 ~~was given notice.~~

37 ~~(b) If the notice is given by mail, the declaration shall be~~
38 ~~accompanied by one of the following:~~

1 ~~(1) Documentation provided by the United States Postal Service~~
2 ~~showing that payment was made to mail the notice using registered~~
3 ~~or certified mail, or express mail.~~

4 ~~(2) Documentation provided by an express service carrier~~
5 ~~showing that payment was made to send the notice using an~~
6 ~~overnight delivery service.~~

7 ~~(3) A return receipt, delivery confirmation, signature~~
8 ~~confirmation, tracking record, or other proof of delivery or~~
9 ~~attempted delivery provided by the United States Postal Service,~~
10 ~~or a photocopy of the record of delivery and receipt maintained~~
11 ~~by the United States Postal Service, showing the date of delivery~~
12 ~~and to whom delivered, or in the event of nondelivery, by the~~
13 ~~returned envelope itself.~~

14 ~~(4) A tracking record or other documentation provided by an~~
15 ~~express service carrier showing delivery or attempted delivery of~~
16 ~~the notice.~~

17 ~~(e) If notice is given in the form of an electronic record, the~~
18 ~~declaration shall also state that the document was served~~
19 ~~electronically and that no notice of nontransmission was received,~~
20 ~~and shall be accompanied by the recipient's written agreement to~~
21 ~~receive the notice in the form of an electronic record.~~

22
23 **Article 3. Completion**

24
25 **CHAPTER 1. GENERAL PROVISIONS**

26
27 **Article 1. Application of Title**

28
29 *9000. This title applies to a work of improvement contracted*
30 *for by a public entity.*

31
32 **Article 2. Claimants**

33
34 *9100. (a) Except as provided in subdivision (b), any of the*
35 *following persons that have not been paid in full may give a stop*
36 *payment notice to the public entity or assert a claim against a*
37 *payment bond:*

38 *(1) A person that provides work for a public works contract, if*
39 *the work is authorized by a direct contractor, subcontractor,*

1 architect, project manager, or other person having charge of all
2 or part of the public works contract.

3 (2) A laborer.

4 (3) A person described in Section 4107.7 of the Public Contract
5 Code.

6 (b) A direct contractor may not give a stop payment notice or
7 assert a claim against a payment bond under this title.

8
9 CHAPTER 2. COMPLETION

10
11 9200. For the purpose of this title, completion of a work of
12 improvement occurs at the earliest of the following times:

13 (a) Acceptance of the work of improvement by the public entity.

14 (b) Cessation of labor on the work of improvement for a
15 continuous period of 60 days. This subdivision does not apply to
16 a contract awarded under the State Contract Act, Part 2
17 (commencing with Section 10100) of Division 2 of the Public
18 Contract Code.

19 9202. (a) A public entity may record a notice of cessation if
20 there has been a continuous cessation of labor for at least 30 days
21 prior to the recordation that continues through the date of the
22 recordation.

23 (b) The notice shall be signed and verified by the public entity
24 or its agent.

25 (c) The notice shall comply with the requirements of ~~Article 2~~
26 ~~(commencing with Section 9100)~~ Chapter 2 (commencing with
27 Section 8100) of Title 1, and shall also include all of the following
28 information:

29 (1) The date on or about which the labor ceased.

30 (2) A statement that the cessation has continued until the
31 recordation of the notice.

32 9204. (a) A public entity may record a notice of completion
33 on or within 15 days after the date of completion of a work of
34 improvement.

35 (b) The notice shall be signed and verified by the public entity
36 or its agent.

37 (c) The notice shall comply with the requirements of ~~Article 2~~
38 ~~(commencing with Section 9100)~~ Chapter 2 (commencing with
39 Section 8100) of Title 1, and shall also include the date of
40 completion. An erroneous statement of the date of completion does

1 not affect the effectiveness of the notice if the true date of
2 completion is 15 days or less before the date of recordation of the
3 notice.

4 ~~9208. (a) A notice of cessation or completion is recorded when~~
5 ~~filed for record in the office of the county recorder of the county~~
6 ~~in which the public works contract or part of it is performed. A~~

7 ~~9208. A notice of completion in otherwise proper form, verified~~
8 ~~and containing the information required by Section 9204 this title~~
9 ~~shall be accepted by the recorder for recording and is deemed duly~~
10 ~~recorded without acknowledgment.~~

11 ~~(b) The county recorder shall number, index, and preserve a~~
12 ~~notice of cessation or completion presented for filing under this~~
13 ~~title, and shall number, index, and transcribe into the official~~
14 ~~records, in the same manner as a conveyance of real property, a~~
15 ~~notice of completion or cessation recorded under this title.~~

16 ~~(c) The county recorder shall charge and collect the fees~~
17 ~~provided in Article 5 (commencing with Section 27360) of Chapter~~
18 ~~6 of Part 3 of Division 2 of Title 3 of the Government Code for~~
19 ~~performing duties under this section.~~

20
21 ~~Article 4. Waiver and Release~~
22

23 ~~9250. (a) A public entity or direct contractor may not, by~~
24 ~~contract or otherwise, waive, affect, or impair a claimant's rights~~
25 ~~under this title, whether with or without notice, except with the~~
26 ~~claimant's written consent, and any term of a contract that purports~~
27 ~~to do so is void and unenforceable.~~

28 ~~(b) A claimant's written consent is void and unenforceable~~
29 ~~unless and until the claimant executes and delivers a waiver and~~
30 ~~release under this article.~~

31 ~~9252. A claimant's waiver and release does not release the~~
32 ~~public entity or surety on a payment bond from a claim unless both~~
33 ~~of the following conditions are satisfied:~~

34 ~~(a) The waiver and release is in substantially the form provided~~
35 ~~in this article and is signed by the claimant.~~

36 ~~(b) If the release is a conditional release, there is evidence of~~
37 ~~payment to the claimant. Evidence of payment may be either of~~
38 ~~the following:~~

1 ~~(1) The claimant's endorsement on a single or joint payee check~~
2 ~~that has been paid by the financial institution on which it was~~
3 ~~drawn.~~

4 ~~(2) Written acknowledgment of payment by the claimant.~~

5 ~~9254. An oral or written statement purporting to waive, release,~~
6 ~~impair, or otherwise adversely affect a claim is void and~~
7 ~~unenforceable and does not create an estoppel or impairment of~~
8 ~~the claim unless either of the following conditions is satisfied:~~

9 ~~(a) The statement is pursuant to a waiver and release under this~~
10 ~~article.~~

11 ~~(b) The claimant has actually received payment in full for the~~
12 ~~claim.~~

13 ~~9256. (a) A claimant may reduce the amount of, or release in~~
14 ~~its entirety, a stop payment notice. The reduction or release shall~~
15 ~~be in writing and may be given in a form other than a waiver and~~
16 ~~release form provided in this article.~~

17 ~~(b) The writing shall identify whether it is a reduction of the~~
18 ~~amount of the stop payment notice, or a release of the notice in its~~
19 ~~entirety. If the writing is a reduction, it shall state the amount of~~
20 ~~the reduction, and the amount to remain withheld after the~~
21 ~~reduction.~~

22 ~~(c) A claimant's reduction or release of a stop payment notice~~
23 ~~has the following effect:~~

24 ~~(1) The reduction or release releases the claimant's right to~~
25 ~~enforce payment of the claim stated in the notice to the extent of~~
26 ~~the reduction or release.~~

27 ~~(2) The reduction or release releases the public entity from the~~
28 ~~obligation to withhold funds pursuant to the notice to the extent~~
29 ~~of the reduction or release.~~

30 ~~(3) The reduction or release does not preclude the claimant from~~
31 ~~giving a subsequent stop payment notice that is timely and proper.~~

32 ~~(4) The reduction or release does not release any right of the~~
33 ~~claimant other than the right to enforce payment of the claim stated~~
34 ~~in the stop payment notice to the extent of the reduction or release.~~

35 ~~9258. This article does not affect the enforceability of either~~
36 ~~an accord and satisfaction concerning a good faith dispute or an~~
37 ~~agreement made in settlement of an action pending in court if the~~
38 ~~accord and satisfaction or agreement and settlement make specific~~
39 ~~reference to the claim.~~

1 ~~9260. If a claimant is required to execute a waiver and release~~
2 ~~in exchange for, or in order to induce payment of, a progress~~
3 ~~payment and the claimant is not, in fact, paid in exchange for the~~
4 ~~waiver and release or a single payee check or joint payee check is~~
5 ~~given in exchange for the waiver and release, the waiver and release~~
6 ~~shall be in substantially the following form:~~

7
8 ~~—Conditional Waiver and Release on Progress Payment~~
9

10 ~~—NOTICE: This document waives certain rights of the claimant effective on~~
11 ~~receipt of payment. A person should not rely on this document unless satisfied~~
12 ~~that the claimant has received payment.~~

13
14 ~~—Identifying Information~~
15

16 ~~—Name of Claimant: _____~~
17 ~~—Name of Customer: _____~~
18 ~~—Job Location: _____~~
19 ~~—Public Entity: _____~~
20 ~~—Through Date: _____~~
21

22 ~~—Conditional Waiver and Release~~
23

24 ~~—This document waives and releases stop payment notice and payment bond~~
25 ~~rights the claimant has for labor and service provided, and equipment and~~
26 ~~material delivered, to the customer on this job through the Through Date of~~
27 ~~this document. This document is effective only on the claimant's receipt of~~
28 ~~payment from the financial institution on which the following check is drawn:~~

29 ~~— Maker of Check: _____~~
30 ~~— Amount of Check: \$ _____~~
31 ~~— Check Payable to: _____~~
32

33 ~~—Exceptions~~
34

35 ~~—This document does not affect any of the following:~~

36 ~~—(1) Retentions:~~

37 ~~—(2) Extras for which the claimant has not received payment:~~

38 ~~—(3) The following progress payments for which the claimant has previously~~
39 ~~given a conditional waiver and release but has not received payment:~~

40 ~~—Date(s) of waiver and release: _____~~

1 —Amount(s) of unpaid progress payment(s): \$ _____
 2 —(4) Contract rights, including (A) a right based on rescission, abandonment,
 3 or breach of contract, and (B) the right to recover compensation for work not
 4 compensated by the payment.

5
 6 —Signature

7
 8 — Claimant's Signature: _____

9 — Claimant's Title: _____

10 — Date of Signature: _____

11
 12 9262. If the claimant is required to execute a waiver and release
 13 in exchange for, or in order to induce payment of, a progress
 14 payment and the claimant asserts in the waiver it has, in fact, been
 15 paid the progress payment, the waiver and release shall be in
 16 substantially the following form, with the text of the "Notice to
 17 Claimant" in at least as large a type as the largest type otherwise
 18 in the form:

19
 20 —Unconditional Waiver and Release on Progress Payment

21
 22 — NOTICE TO CLAIMANT: This document waives and releases rights
 23 unconditionally and states that you have been paid for giving up those rights.
 24 This document is enforceable against you if you sign it, even if you have not
 25 been paid. If you have not been paid, use a conditional waiver and release
 26 form.

27
 28 —Identifying Information

29
 30 — Name of Claimant: _____

31 — Name of Customer: _____

32 — Job Location: _____

33 — Public Entity: _____

34 — Through Date: _____

35
 36 —Unconditional Waiver and Release

37
 38 — This document waives and releases stop payment notice and payment bond
 39 rights the claimant has for labor and service provided, and equipment and

1 material delivered, to the customer on this job through the Through Date of
2 this document. The claimant has received the following progress
3 payment: \$ _____
4

5 —Exceptions
6

7 —This document does not affect any of the following:

8 —(1) Retentions:

9 —(2) Extras for which the claimant has not received payment.

10 —(3) Contract rights, including (A) a right based on rescission, abandonment,
11 or breach of contract, and (B) the right to recover compensation for work not
12 compensated by the payment.
13

14 —Signature
15

16 —Claimant's Signature: _____

17 —Claimant's Title: _____

18 —Date of Signature: _____
19

20 9264. If the claimant is required to execute a waiver and release
21 in exchange for, or in order to induce payment of, a final payment
22 and the claimant is not, in fact, paid in exchange for the waiver
23 and release or a single payee check or joint payee check is given
24 in exchange for the waiver and release, the waiver and release shall
25 be in substantially the following form:
26

27 —Conditional Waiver and Release on Final Payment
28

29 —NOTICE: This document waives certain rights of the claimant effective on
30 receipt of payment. A person should not rely on this document unless satisfied
31 that the claimant has received payment.
32

33 —Identifying Information
34

35 —Name of Claimant: _____

36 —Name of Customer: _____

37 —Job Location: _____

38 —Public Entity: _____
39

40 —Conditional Waiver and Release

~~This document waives and releases stop payment notice and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:~~

~~Maker of Check: _____~~
~~Amount of Check: \$ _____~~
~~Check Payable to: _____~~

~~Exceptions~~

~~This document does not affect any of the following:~~

~~(1) Disputed claims for extras in the amount of: \$ _____~~

~~(2) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:~~

~~Date(s) of waiver and release: _____~~

~~Amount(s) of unpaid progress payment(s): _____~~

~~Signature~~

~~Claimant's Signature: _____~~

~~Claimant's Title: _____~~

~~Date of Signature: _____~~

~~9266. If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a final payment and the claimant asserts in the waiver that he or she has, in fact, been paid the final payment, the waiver and release shall be in substantially the following form, with the text of the "Notice to Claimant" in at least as large a type as the largest type otherwise in the form:~~

~~Unconditional Waiver and Release on Final Payment~~

~~NOTICE TO CLAIMANT: This document waives and releases rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional waiver and release form.~~

~~Identifying Information~~

~~Name of Claimant:~~ _____

~~Name of Customer:~~ _____

~~Job Location:~~ _____

~~Public Entity:~~ _____

~~Unconditional Waiver and Release~~

~~This document waives and releases stop payment notice and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. The claimant has been paid in full.~~

~~Exception~~

~~This document does not affect the following:~~

~~Disputed claims for extras in the amount of: \$~~ _____

~~Signature~~

~~Claimant's Signature:~~ _____

~~Claimant's Title:~~ _____

~~Date of Signature:~~ _____

CHAPTER 3. PRELIMINARY NOTICE

9300. (a) Except as otherwise provided by statute, before giving a stop payment notice or asserting a claim against a payment bond, a claimant shall give preliminary notice to the following persons:

(1) The public entity.

(2) The direct contractor to which the claimant provides work.

(b) Notwithstanding subdivision (a):

(1) A laborer is not required to give preliminary notice.

(2) A claimant that has a direct contractual relationship with a direct contractor is not required to give preliminary notice.

(c) Compliance with this section is a necessary prerequisite to the validity of a stop payment notice under this title.

(d) Compliance with this section or with Section 9562 is a necessary prerequisite to the validity of a claim against a payment bond under this title.

9302. (a) Except as provided in subdivision (b), preliminary notice shall be given in compliance with the requirements of ~~Article 2 (commencing with Section 9100) of Chapter 2~~ Chapter 2 (commencing with Section 8100) of Title 1.

(b) If the public works contract is for work constructed by the Department of Public Works or the Department of General Services of the state, preliminary notice to the public entity shall be given to the disbursing officer of the department constructing the work.

9303. *The preliminary notice shall comply with the requirements of Section 8102, and shall also include:*

(a) *A general description of the work to be provided.*

(b) *An estimate of the total price of the work provided and to be provided.*

9304. A claimant may give a stop payment notice or assert a claim against a payment bond only for work provided within 20 days before giving preliminary notice and at any time thereafter.

9306. If the contract of any subcontractor on a particular work of improvement provides for payment to the subcontractor of more than four hundred dollars (\$400), the failure of that subcontractor, licensed under the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), to give the notice provided for in this chapter, constitutes grounds for disciplinary action under the Contractors' State License Law.

CHAPTER 4. STOP PAYMENT NOTICE

Article 1. General Provisions

9350. The rights of all persons furnishing work pursuant to a public works contract, with respect to any fund for payment of construction costs, are governed exclusively by this chapter, and no person may assert any legal or equitable right with respect to that fund, other than a right created by direct written contract between the person and the person holding the fund, except pursuant to the provisions of this chapter.

1 9352. (a) A stop payment notice shall comply with the
2 requirements of ~~Section 9102~~ *Chapter 2 (commencing with Section*
3 *8100) of Title 1*, and shall be signed and verified by the claimant.

4 (b) The notice shall include a general description of work to be
5 provided, and an estimate of the total amount in value of the work
6 to be provided.

7 (c) The amount claimed in the notice may include only the
8 amount due the claimant for work provided through the date of
9 the notice.

10 9354. (a) Except as provided in subdivision (b), a stop payment
11 notice shall be given in compliance with the requirements of ~~Article~~
12 ~~2 (commencing with Section 9100) of Chapter 2~~ *Chapter 2*
13 *(commencing with Section 8100) of Title 1*.

14 (b) A stop payment notice shall be given to the public entity by
15 giving the notice to the following person:

16 (1) In the case of a public works contract of the state, the director
17 of the department that awarded the contract.

18 (2) In the case of a public works contract of a public entity other
19 than the state, the office of the controller, auditor, or other public
20 disbursing officer whose duty it is to make payment pursuant to
21 the contract, or the commissioners, managers, trustees, officers,
22 board of supervisors, board of trustees, common council, or other
23 body by which the contract was awarded.

24 9356. A stop payment notice is not effective unless given before
25 ~~the earlier of the following times:~~

26 ~~(a) Ninety days after cessation or completion.~~

27 ~~(b) Thirty days after recordation of a notice of cessation or~~
28 ~~completion; the expiration of whichever of the following time~~
29 ~~periods is applicable:~~

30 ~~(a) If a notice of completion, acceptance, or cessation is~~
31 ~~recorded, 30 days after that recordation.~~

32 ~~(b) If a notice of completion, acceptance, or cessation is not~~
33 ~~recorded, 90 days after cessation or completion.~~

34 9358. (a) The public entity shall, on receipt of a stop payment
35 notice, withhold from the direct contractor sufficient funds due or
36 to become due to the direct contractor to pay the claim stated in
37 the stop payment notice and to provide for the public entity's
38 reasonable cost of any litigation pursuant to the stop payment
39 notice.

(b) The public entity may satisfy its duty under this section by refusing to release funds held in escrow under Section 10263 or 22300 of the Public Contract Code.

9360. (a) This chapter does not prohibit payment of funds to a direct contractor *or a direct contractor's assignee* if a stop payment notice is not received before the disbursing officer actually surrenders possession of the funds.

(b) This chapter does not prohibit payment of any amount due to a direct contractor *or a direct contractor's assignee* in excess of the amount necessary to pay the total amount of all claims stated in stop payment notices received by the public entity at the time of payment plus any interest and court costs that might reasonably be anticipated in connection with the claims.

9362. (a) Not later than 10 days after each of the following events, the public entity shall give notice to a claimant that has given a stop payment notice of the time within which an action to enforce payment of the claim stated in the stop payment notice must be commenced:

(1) Completion of a public works contract, whether by acceptance or cessation.

(2) Recordation of a notice of cessation or completion.

(b) The notice shall comply with the requirements of ~~Article 2 (commencing with Section 9100) of Chapter 2~~ *Chapter 2 (commencing with Section 8100) of Title 1.*

(c) A public entity need not give notice under this section unless the claimant has paid the public entity ten dollars (\$10) at the time of giving the stop payment notice.

9364. (a) A public entity may, in its discretion, permit the direct contractor to give the public entity a release bond. The bond shall be executed by an admitted surety insurer, in an amount equal to 125 percent of the claim stated in the stop payment notice, conditioned for the payment of any amount the claimant recovers in an action on the claim, together with court costs if the claimant prevails.

(b) On receipt of a release bond, the public entity shall not withhold funds from the direct contractor pursuant to the stop payment notice.

(c) The surety on a release bond is jointly and severally liable to the claimant with the sureties on any payment bond given under Chapter 5 (commencing with Section 9550).

Article 2. Summary Proceeding for Release of Funds

9400. A direct contractor may obtain release of funds withheld pursuant to a stop payment notice under the summary proceeding provided in this article on any of the following grounds:

(a) The claim on which the notice is based is not a type for which a stop payment notice is authorized under this chapter.

(b) The claimant is not a person authorized under Section ~~9056~~ 9100 to give a stop payment notice.

(c) The amount of the claim stated in the stop payment notice is excessive.

(d) There is no basis for the claim stated in the stop payment notice.

9402. The direct contractor shall serve on the public entity an affidavit, together with a copy of the affidavit, in compliance with the requirements of ~~Article 2 (commencing with Section 9100) of Chapter 2~~ *Chapter 2 (commencing with Section 8100) of Title 1*, that includes all of the following information:

(a) An allegation of the grounds for release of the funds and a statement of the facts supporting the allegation.

(b) A demand for the release of all or the portion of the funds that are alleged to be withheld improperly or in an excessive amount.

(c) A statement of the address of the contractor within the state for the purpose of permitting service by mail on the contractor of any notice or document.

9404. The public entity shall serve on the claimant a copy of the direct contractor's affidavit, together with a notice stating that the public entity will release the funds withheld, or the portion of the funds demanded, unless the claimant serves on the public entity a counteraffidavit on or before the time stated in the notice. The time stated in the notice shall be not less than 10 days nor more than 20 days after service on the claimant of the copy of the affidavit. The notice shall comply with the requirements of ~~Article 2 (commencing with Section 9100) of Chapter 2~~ *Chapter 2 (commencing with Section 8100) of Title 1*.

9406. (a) A claimant that contests the direct contractor's affidavit shall serve on the public entity a counteraffidavit alleging the details of the claim and describing the specific basis on which the claimant contests or rebuts the allegations of the contractor's

1 affidavit. The counteraffidavit shall be served within the time stated
2 in the public entity's notice, together with proof of service of a
3 copy of the counteraffidavit on the direct contractor. The service
4 of the counteraffidavit on the public entity and the copy of the
5 affidavit on the direct contractor shall comply with the
6 requirements of ~~Article 2 (commencing with Section 9100) Chapter~~
7 ~~2 (commencing with Section 8100) of Title 1.~~

8 (b) If no counteraffidavit with proof of service is served on the
9 public entity within the time stated in the public entity's notice,
10 the public entity shall immediately release the funds, or the portion
11 of the funds demanded by the affidavit, without further notice to
12 the claimant, and the public entity is not liable in any manner for
13 their release.

14 (c) The public entity is not responsible for the validity of an
15 affidavit or counteraffidavit under this article.

16 9408. (a) If a counteraffidavit, together with proof of service,
17 is served under Section 9406, either the direct contractor or the
18 claimant may commence an action for a declaration of the rights
19 of the parties.

20 (b) After commencement of the action, either the direct
21 contractor or the claimant may move the court for a determination
22 of rights under the affidavit and counteraffidavit. The party making
23 the motion shall give not less than five days' notice of the hearing
24 to the public entity and to the other party.

25 (c) The notice of hearing shall comply with the requirements
26 of ~~Article 2 (commencing with Section 9100) Chapter 2~~
27 ~~(commencing with Section 8100) of Title 1.~~ Notwithstanding
28 ~~Section 9114 8116~~, when notice of the hearing is made by mail,
29 the notice is complete on the fifth day following deposit of the
30 notice in the mail.

31 (d) The court shall hear the motion within 15 days after the date
32 of the motion, unless the court continues the hearing for good
33 cause.

34 9410. (a) The affidavit and counteraffidavit shall be filed with
35 the court by the public entity and shall constitute the pleadings,
36 subject to the power of the court to permit an amendment in the
37 interest of justice. The affidavit of the direct contractor shall be
38 deemed controverted by the counteraffidavit of the claimant, and
39 both shall be received in evidence.

40 (b) At the hearing, the direct contractor has the burden of proof.

1 9412. (a) No findings are required in a summary proceeding
2 under this article.

3 (b) If at the hearing no evidence other than the affidavit and
4 counteraffidavit is offered, the court may, if satisfied that sufficient
5 facts are shown, make a determination on the basis of the affidavit
6 and counteraffidavit. If the court is not satisfied that sufficient
7 facts are shown, the court shall order the hearing continued for
8 production of other evidence, oral or documentary, or the filing
9 of other affidavits and counteraffidavits.

10 (c) At the conclusion of the hearing, the court shall make an
11 order determining whether the demand for release is allowed. The
12 court's order is determinative of the right of the claimant to have
13 funds further withheld by the public entity.

14 (d) The direct contractor shall serve a copy of the court's order
15 on the public entity in compliance with the requirements of ~~Article~~
16 ~~2 (commencing with Section 9100)~~ *Chapter 2 (commencing with*
17 *Section 8100) of Title 1.*

18 9414. A determination in a summary proceeding under this
19 article is not res judicata with respect to a right of action by the
20 claimant against either the principal or surety on a payment bond
21 or with respect to a right of action against a party personally liable
22 to the claimant.

23 24 Article 3. Distribution of Funds Withheld 25

26 9450. If funds withheld pursuant to a stop payment notice are
27 insufficient to pay in full the claims of all persons who have given
28 a stop payment notice, the funds shall be distributed among the
29 claimants in the ratio that the claim of each bears to the aggregate
30 of all claims for which a stop payment notice is given, without
31 regard to the order in which the notices were given or enforcement
32 actions were commenced.

33 9452. Nothing in this chapter impairs the right of a claimant
34 to recover from the direct contractor or the contractor's sureties
35 in an action on a payment bond under Chapter 5 (commencing
36 with Section 9550) any deficit that remains unpaid after the
37 distribution under Section 9450.

38 9454. A person that willfully gives a false stop payment notice
39 to the public entity or that willfully includes in the notice work
40 not provided for the public works contract for which the stop

1 payment notice is given forfeits all right to participate in the
2 distribution under Section 9450.

3 9456. (a) A stop payment notice takes priority over an
4 assignment by a direct contractor of any amount due or to become
5 due pursuant to a public works contract, including contract changes,
6 whether made before or after the giving of a stop payment notice,
7 and the assignment has no effect on the rights of the claimant.

8 (b) Any garnishment of an amount due or to become due
9 pursuant to a public works contract by a creditor of a direct
10 contractor under Article 8 (commencing with Section 708.710) of
11 Chapter 6 of Division 2 of Title 9 of Part 2 of the Code of Civil
12 Procedure and any statutory lien on that amount is subordinate to
13 the rights of a claimant.

14
15 Article 4. Enforcement of Payment of Claim Stated in Stop
16 Payment Notice
17

18 9500. (a) A claimant may not enforce payment of the claim
19 stated in a stop payment notice unless the claimant has complied
20 with all of the following conditions:

21 (1) The claimant has given preliminary notice to the extent
22 required by Chapter 3 (commencing with Section 9300).

23 (2) The claimant has given the stop payment notice within the
24 time provided in Section 9356.

25 (b) The claim filing procedures of Part 3 (commencing with
26 Section 900) of Division 3.6 of Title 1 of the Government Code
27 do not apply to an action under this article.

28 9502. (a) The claimant shall commence an action against the
29 public entity and the direct contractor to enforce payment of the
30 claim stated in a stop payment notice ~~not earlier than 10 days after~~
31 *at any time after 10 days from* the date the claimant gives the stop
32 payment notice.

33 (b) The claimant shall commence an action against the public
34 entity and the direct contractor to enforce payment of the claim
35 stated in a stop payment notice not later than 90 days after
36 expiration of the time within which a stop payment notice must
37 be given.

38 (c) An action under this section may not be brought to trial or
39 judgment entered before expiration of the time provided in
40 subdivision (b).

(d) If a claimant does not commence an action to enforce payment of the claim stated in a stop payment notice within the time provided in subdivision (b), the notice ceases to be effective and the public entity shall release funds withheld pursuant to the notice.

9504. Within five days after commencement of an action to enforce payment of the claim stated in a stop payment notice, the claimant shall give notice of commencement of the action to the public entity in the same manner that a stop payment notice is given.

9506. If more than one claimant has given a stop payment notice:

(a) Any number of claimants may join in the same enforcement action.

(b) If claimants commence separate actions, the court that first acquires jurisdiction may order the actions consolidated.

(c) On request of the public entity, the court shall require that all claimants be impleaded in one action and shall adjudicate the rights of all parties in the action.

9508. Notwithstanding Section 583.420 of the Code of Civil Procedure, ~~the court may dismiss if~~ an action to enforce payment of the claim stated in a stop payment notice ~~that~~ is not brought to trial within two years after commencement of the action, *the court may in its discretion dismiss the action for want of prosecution.*

9510. A stop payment notice ceases to be effective, and the public entity shall release funds withheld, in either of the following circumstances:

(a) An action to enforce payment of the claim stated in the stop payment notice is dismissed, unless expressly stated to be without prejudice.

(b) Judgment in an action to enforce payment of the claim stated in the stop payment notice is against the claimant.

CHAPTER 5. PAYMENT BOND

9550. (a) A direct contractor that is awarded a public works contract involving an expenditure in excess of twenty-five thousand dollars (\$25,000) shall, before commencement of work, give a payment bond to and approved by the ~~public entity~~ *officer or public entity by whom the contract was awarded.*

(b) A public entity shall state in its call for bids that a payment bond is required for a public works contract involving an expenditure in excess of twenty-five thousand dollars (\$25,000).

(c) A payment bond given and approved under this section will permit performance of and provide coverage for work pursuant to a public works contract that supplements the contract for which the bond is given, if the requirement of a new bond is waived by the public entity.

(d) For the purpose of this section, a design professional is not deemed a direct contractor and is not required to give a payment bond.

(e) This section does not apply to a public works contract with a “state entity” as defined in subdivision (d) of Section 7103 of the Public Contract Code.

9552. If a payment bond is not given and approved as required by Section 9550:

(a) ~~The~~ *Neither the public entity awarding the public works contract shall nor any officer of the public entity shall* audit, allow, or pay a claim of the direct contractor pursuant to the contract.

(b) A claimant shall receive payment of a claim pursuant to a stop payment notice in the manner provided by Chapter 4 (commencing with Section 9350).

9554. (a) A payment bond shall be in an amount not less than 100 percent of the total amount payable pursuant to the public works contract. The bond shall be in the form of a bond and not a deposit in lieu of a bond. The bond shall be executed by an admitted surety insurer.

(b) The payment bond shall provide that if the direct contractor or a subcontractor fails to pay any of the following, the surety will pay the obligation and, if an action is brought to enforce the liability on the bond, a reasonable attorney’s fee, to be fixed by the court:

(1) A person authorized under Section ~~9056~~ *9100* to assert a claim against a payment bond.

(2) Amounts due under the Unemployment Insurance Code with respect to work or labor performed pursuant to the public works contract.

(3) Amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of

1 employees of the contractor and subcontractors under Section
2 13020 of the Unemployment Insurance Code with respect to the
3 work and labor.

4 (c) The payment bond shall by its terms inure to the benefit of
5 any person authorized under Section ~~9056~~ 9100 to assert a claim
6 against a payment bond so as to give a right of action to that person
7 or that person's assigns in an action to enforce the liability on the
8 bond.

9 (d) The direct contractor may require that a subcontractor give
10 a bond to indemnify the direct contractor for any loss sustained
11 by the direct contractor because of any default of the subcontractor
12 under this section.

13 ~~9556. (a) A payment bond shall be construed most strongly~~
14 ~~against the surety and in favor of the beneficiary.~~

15 ~~(b) A surety is not released from liability to the beneficiary by~~
16 ~~reason of a breach of the public works contract between the public~~
17 ~~entity and the direct contractor or on the part of any obligee named~~
18 ~~in the bond.~~

19 ~~(c) Except as otherwise provided by statute, the sole conditions~~
20 ~~of recovery on the bond are that the claimant is a person authorized~~
21 ~~under Section 9056 to assert a claim against a payment bond, and~~
22 ~~has not been paid the full amount of the claim.~~

23 9558. A claimant may commence an action to enforce the
24 liability on the bond at any time after the claimant ceases to provide
25 work, but not later than six months after the period in which a stop
26 payment notice may be given under Section 9356.

27 9560. (a) In order to enforce a claim against a payment bond,
28 a claimant shall give the preliminary notice provided in Chapter
29 3 (commencing with Section 9300).

30 (b) If preliminary notice was not given as provided in Chapter
31 3 (commencing with Section 9300), a claimant may enforce a
32 claim by giving written notice to the surety and the bond principal
33 within 15 days after recordation of a notice of completion. If no
34 notice of completion has been recorded, the time for giving written
35 notice to the surety and the bond principal is extended to 75 days
36 after completion of the work of improvement.

37 9562. Notice to the principal and surety under Section 9560
38 shall comply with the requirements of ~~Article 2 (commencing with~~
39 ~~Section 9100) of Chapter 2 Chapter 2 (commencing with Section~~
40 ~~8100) of Title 1.~~

1 9564. (a) A claimant may maintain an action to enforce the
2 liability of a surety on a payment bond whether or not the claimant
3 has given the public entity a stop payment notice.

4 (b) A claimant may maintain an action to enforce the liability
5 on the bond separately from and without commencement of an
6 action against the public entity *by whom the contract was awarded*
7 *or against any officer of the public entity*.

8 (c) In an action to enforce the liability on the bond, the court
9 shall award the prevailing party a reasonable attorney's fee.

10 9566. (a) A claimant does not have a right to recover on a
11 payment bond unless the claimant provided work to the direct
12 contractor either directly or through one or more subcontractors
13 pursuant to a public works contract.

14 (b) Nothing in this section affects the stop payment notice rights
15 of, and relative priorities among, design professionals.

16 SEC. 21. Section 86 of the Code of Civil Procedure is amended
17 to read:

18 86. (a) The following civil cases and proceedings are limited
19 civil cases:

20 (1) A case at law in which the demand, exclusive of interest, or
21 the value of the property in controversy amounts to twenty-five
22 thousand dollars (\$25,000) or less. This paragraph does not apply
23 to a case that involves the legality of any tax, impost, assessment,
24 toll, or municipal fine, except an action to enforce payment of
25 delinquent unsecured personal property taxes if the legality of the
26 tax is not contested by the defendant.

27 (2) An action for dissolution of partnership where the total assets
28 of the partnership do not exceed twenty-five thousand dollars
29 (\$25,000); an action of interpleader where the amount of money
30 or the value of the property involved does not exceed twenty-five
31 thousand dollars (\$25,000).

32 (3) An action to cancel or rescind a contract when the relief is
33 sought in connection with an action to recover money not
34 exceeding twenty-five thousand dollars (\$25,000) or property of
35 a value not exceeding twenty-five thousand dollars (\$25,000), paid
36 or delivered under, or in consideration of, the contract; an action
37 to revise a contract where the relief is sought in an action upon the
38 contract if the action otherwise is a limited civil case.

1 (4) A proceeding in forcible entry or forcible or unlawful
2 detainer where the whole amount of damages claimed is
3 twenty-five thousand dollars (\$25,000) or less.

4 (5) An action to enforce and foreclose a lien on personal
5 property where the amount of the lien is twenty-five thousand
6 dollars (\$25,000) or less.

7 (6) An action to enforce and foreclose, or a petition to release,
8 a lien arising under the provisions of Chapter 4 (commencing with
9 Section 8400) of *Title 2* of Part 6 of Division 4 of the Civil Code,
10 or to enforce and foreclose an assessment lien on a common interest
11 development as defined in Section 1351 of the Civil Code, where
12 the amount of the liens is twenty-five thousand dollars (\$25,000)
13 or less. However, if an action to enforce the lien affects property
14 that is also affected by a similar pending action that is not a limited
15 civil case, or if the total amount of liens sought to be foreclosed
16 against the same property aggregates an amount in excess of
17 twenty-five thousand dollars (\$25,000), the action is not a limited
18 civil case.

19 (7) An action for declaratory relief when brought pursuant to
20 either of the following:

21 (A) By way of cross-complaint as to a right of indemnity with
22 respect to the relief demanded in the complaint or a cross-complaint
23 in an action or proceeding that is otherwise a limited civil case.

24 (B) To conduct a trial after a nonbinding fee arbitration between
25 an attorney and client, pursuant to Article 13 (commencing with
26 Section 6200) of Chapter 4 of Division 3 of the Business and
27 Professions Code, where the amount in controversy is twenty-five
28 thousand dollars (\$25,000) or less.

29 (8) An action to issue a temporary restraining order or
30 preliminary injunction; to take an account, where necessary to
31 preserve the property or rights of any party to a limited civil case;
32 to make any order or perform any act, pursuant to Title 9
33 (commencing with Section 680.010) of Part 2 (enforcement of
34 judgments) in a limited civil case; to appoint a receiver pursuant
35 to Section 564 in a limited civil case; to determine title to personal
36 property seized in a limited civil case.

37 (9) An action under Article 3 (commencing with Section
38 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the
39 recovery of an interest in personal property or to enforce the
40 liability of the debtor of a judgment debtor where the interest

1 claimed adversely is of a value not exceeding twenty-five thousand
2 dollars (\$25,000) or the debt denied does not exceed twenty-five
3 thousand dollars (\$25,000).

4 (10) An arbitration-related petition filed pursuant to either of
5 the following:

6 (A) Article 2 (commencing with Section 1292) of Chapter 5 of
7 Title 9 of Part 3, except for uninsured motorist arbitration
8 proceedings in accordance with Section 11580.2 of the Insurance
9 Code, if the petition is filed before the arbitration award becomes
10 final and the matter to be resolved by arbitration is a limited civil
11 case under paragraphs (1) to (9), inclusive, of subdivision (a) or
12 if the petition is filed after the arbitration award becomes final and
13 the amount of the award and all other rulings, pronouncements,
14 and decisions made in the award are within paragraphs (1) to (9),
15 inclusive, of subdivision (a).

16 (B) To confirm, correct, or vacate a fee arbitration award
17 between an attorney and client that is binding or has become
18 binding, pursuant to Article 13 (commencing with Section 6200)
19 of Chapter 4 of Division 3 of the Business and Professions Code,
20 where the arbitration award is twenty-five thousand dollars
21 (\$25,000) or less.

22 (b) The following cases in equity are limited civil cases:

23 (1) A case to try title to personal property when the amount
24 involved is not more than twenty-five thousand dollars (\$25,000).

25 (2) A case when equity is pleaded as a defensive matter in any
26 case that is otherwise a limited civil case.

27 (3) A case to vacate a judgment or order of the court obtained
28 in a limited civil case through extrinsic fraud, mistake,
29 inadvertence, or excusable neglect.

30 SEC. 22. Section 410.42 of the Code of Civil Procedure is
31 amended to read:

32 410.42. (a) The following provisions of a contract between
33 the contractor and a subcontractor with principal offices in this
34 state, for the construction of a public or private work of
35 improvement in this state, shall be void and unenforceable:

36 (1) A provision which purports to require any dispute between
37 the parties to be litigated, arbitrated, or otherwise determined
38 outside this state.

1 (2) A provision which purports to preclude a party from
2 commencing such a proceeding or obtaining a judgment or other
3 resolution in this state or the courts of this state.

4 (b) For purposes of this section, “construction” means any work
5 or services performed on, or materials provided for, a work of
6 improvement, as defined in Section 8050 of the Civil Code, and
7 for which a lien may be claimed pursuant to Section 8400 of the
8 Civil Code (whether or not a lien is in fact claimed) or for which
9 such a lien could be claimed but for Section ~~8052~~ 8160 of the Civil
10 Code.

11 SEC. 23. Section 708.760 of the Code of Civil Procedure is
12 amended to read:

13 708.760. (a) If the judgment debtor named in the abstract or
14 certified copy of the judgment filed pursuant to this article is a
15 contractor upon a public work, the cost of which is to be paid out
16 of public moneys voted, appropriated, or otherwise set apart for
17 such purpose, only so much of the contract price shall be deemed
18 owing and unpaid within the meaning of Section 708.740 or
19 708.750 as may remain payable under the terms of the contractor’s
20 contract, upon the completion thereof, after deducting sums due
21 and to become due to persons described in Section ~~9056~~ 9100 of
22 the Civil Code. In ascertaining the sums due or to become due to
23 such persons, only claims which are filed against the moneys due
24 or to become due to the judgment debtor in accordance with
25 Chapter 4 (commencing with Section 9350) of Title ~~2~~ 3 of Part 6
26 of Division 4 of the Civil Code shall be considered.

27 (b) The Controller, auditor, or other public disbursing officer
28 whose duty it is to make payments under the provisions of the
29 contract may not deposit an amount with the court pursuant to this
30 article until the contract is completed, but may deposit an amount
31 with the court to satisfy the claim of the judgment debtor before
32 the payments specified in subdivision (a) are made so long as a
33 sufficient amount is retained for the satisfaction of the claims of
34 persons described in Section ~~9056~~ 9100 of the Civil Code.

35 SEC. 24. Section 1203.61 of the Code of Civil Procedure is
36 amended to read:

37 1203.61. (a) Any lien provided for by this chapter shall be
38 enforced in the same manner as provided in Chapter 4
39 (commencing with Section 8400) of *Title 2* of Part 6 of Division
40 4 of the Civil Code. The action shall be filed within 180 days from

1 the time of the recording of the lien. If a credit is given and notice
2 of the fact and terms of the credit is filed in the office of the county
3 recorder subsequent to the filing of the lien and prior to the
4 expiration of the 180-day period, then the lien continues in force
5 until 180 days after the expiration of the credit, but no lien
6 continues in force by reason of any agreement to give credit for a
7 longer time than one year from the time the work is completed. If
8 the proceedings to enforce the lien are not prosecuted to trial within
9 two years after commencement, the court may in its discretion
10 dismiss the action for want of prosecution, and in all cases the
11 dismissal of the action (unless it is expressly stated that it is without
12 prejudice) or a judgment in the action that no lien exists is
13 equivalent to the cancellation and removal from the record of the
14 lien.

15 (b) As against any purchaser or encumbrancer for value and in
16 good faith whose rights are acquired subsequent to the expiration
17 of the 180-day period following the filing of the lien, no giving of
18 credit or extension of the lien or time to enforce the lien shall be
19 effective unless evidenced by a notice or agreement filed for record
20 in the office of the county recorder prior to the acquisition of the
21 rights of the purchaser or encumbrancer.

22 SEC. 25. Section 1281.5 of the Code of Civil Procedure is
23 amended to read:

24 1281.5. (a) Any person who proceeds to record and enforce a
25 claim of lien by commencement of an action pursuant to Chapter
26 4 (commencing with Section 8400) of *Title 2* of Part 6 of Division
27 4 of the Civil Code, does not thereby waive any right of arbitration
28 the person may have pursuant to a written agreement to arbitrate,
29 if, in filing an action to enforce the claim of lien, the claimant does
30 either of the following:

31 (1) Includes an allegation in the complaint that the claimant
32 does not intend to waive any right of arbitration, and intends to
33 move the court, within 30 days after service of the summons and
34 complaint, for an order to stay further proceedings in the action.

35 (2) At the same time that the complaint is filed, the claimant
36 files an application that the action be stayed pending the arbitration
37 of any issue, question, or dispute that is claimed to be arbitrable
38 under the agreement and that is relevant to the action to enforce
39 the claim of lien.

(b) Within 30 days after service of the summons and complaint, the claimant shall file and serve a motion and notice of motion pursuant to Section 1281.4 to stay the action pending the arbitration of any issue, question, or dispute that is claimed to be arbitrable under the agreement and that is relevant to the action to enforce the claim of lien. The failure of a claimant to comply with this subdivision is a waiver of the claimant's right to compel arbitration.

(c) The failure of a defendant to file a petition pursuant to Section 1281.2 at or before the time the defendant answers the complaint filed pursuant to subdivision (a) is a waiver of the defendant's right to compel arbitration.

SEC. 26. Section 1800 of the Code of Civil Procedure is amended to read:

1800. (a) As used in this section, the following terms have the following meanings:

(1) "Insolvent" means:

(A) With reference to a person other than a partnership, a financial condition such that the sum of the person's debts is greater than all of the person's property, at a fair valuation, exclusive of both of the following:

(i) Property transferred, concealed, or removed with intent to hinder, delay, or defraud the person's creditors.

(ii) Property that is exempt from property of the estate pursuant to the election of the person made pursuant to Section 1801.

(B) With reference to a partnership, financial condition such that the sum of the partnership's debts are greater than the aggregate of, at a fair valuation, both of the following:

(i) All of the partnership's property, exclusive of property of the kind specified in clause (i) of subparagraph (A).

(ii) The sum of the excess of the value of each general partner's separate property, exclusive of property of the kind specified in clause (ii) of subparagraph (A), over the partner's separate debts.

(2) "Inventory" means personal property leased or furnished, held for sale or lease, or to be furnished under a contract for service, raw materials, work in process, or materials used or consumed in a business, including farm products such as crops or livestock, held for sale or lease.

(3) "Insider" means:

(A) If the assignor is an individual, any of the following:

- 1 (i) A relative of the assignor or of a general partner of the
2 assignor.
- 3 (ii) A partnership in which the assignor is a general partner.
- 4 (iii) A general partner of the assignor.
- 5 (iv) A corporation of which the assignor is a director, officer,
6 or person in control.
- 7 (B) If the assignor is a corporation, any of the following:
- 8 (i) A director of the assignor.
- 9 (ii) An officer of the assignor.
- 10 (iii) A person in control of the assignor.
- 11 (iv) A partnership in which the assignor is a general partner.
- 12 (v) A general partner of the assignor.
- 13 (vi) A relative of a general partner, director, officer, or person
14 in control of the assignor.
- 15 (C) If the assignor is a partnership, any of the following:
- 16 (i) A general partner in the assignor.
- 17 (ii) A relative of a general partner in, general partner of, or
18 person in control of the assignor.
- 19 (iii) A partnership in which the assignor is a general partner.
- 20 (iv) A general partner of the assignor.
- 21 (v) A person in control of the assignor.
- 22 (D) An affiliate of the assignor or an insider of an affiliate as if
23 the affiliate were the assignor.
- 24 (E) A managing agent of the assignor.
- 25 As used in this paragraph, the following terms have the following
26 meanings:
- 27 “Relative” means an individual related by affinity or
28 consanguinity within the third degree as determined by the common
29 law, or an individual in a step or adoptive relationship within the
30 third degree.
- 31 An “affiliate” means a person that directly or indirectly owns,
32 controls, or holds, with power to vote, 20 percent or more of the
33 outstanding voting securities of the assignor, or 20 percent or more
34 of whose outstanding voting securities are directly or indirectly
35 owned, controlled, or held with power to vote by the assignor,
36 excluding securities held in a fiduciary or agency capacity without
37 sole discretionary power to vote, or held solely to secure a debt if
38 the holder has not in fact exercised the power to vote, or a person
39 who operates the business of the assignor under a lease or operating

1 agreement or whose business is operated by the assignor under a
2 lease or operating agreement.

3 (4) “Judicial lien” means a lien obtained by judgment, levy,
4 sequestration, or other legal or equitable process or proceeding.

5 (5) “New value” means money or money’s worth in goods,
6 services, or new credit, or release by a transferee of property
7 previously transferred to the transferee in a transaction that is
8 neither void nor voidable by the assignor or the assignee under
9 any applicable law, but does not include an obligation substituted
10 for an existing obligation.

11 (6) “Receivable” means a right to payment, whether or not the
12 right has been earned by performance.

13 (7) “Security agreement” means an agreement that creates or
14 provides for a security interest.

15 (8) “Security interest” means a lien created by an agreement.

16 (9) “Statutory lien” means a lien arising solely by force of a
17 statute on specified circumstances or conditions, or lien of distress
18 for rent, whether or not statutory, but does not include a security
19 interest or judicial lien, whether or not the interest or lien is
20 provided by or is dependent on a statute and whether or not the
21 interest or lien is made fully effective by statute.

22 (10) “Transfer” means every mode, direct or indirect, absolute
23 or conditional, voluntary or involuntary, or disposing of or parting
24 with property or with an interest in property, including retention
25 of title as a security interest.

26 (b) Except as provided in subdivision (c), the assignee of any
27 general assignment for the benefit of creditors, as defined in
28 Section 493.010, may recover any transfer of property of the
29 assignor that is all of the following:

30 (1) To or for the benefit of a creditor.

31 (2) For or on account of an antecedent debt owed by the assignor
32 before the transfer was made.

33 (3) Made while the assignor was insolvent.

34 (4) Made on or within 90 days before the date of the making of
35 the assignment or made between 90 days and one year before the
36 date of making the assignment if the creditor, at the time of the
37 transfer, was an insider and had reasonable cause to believe the
38 debtor was insolvent at the time of the transfer.

39 (5) Enables the creditor to receive more than another creditor
40 of the same class.

- 1 (c) The assignee may not recover under this section a transfer
2 as follows:
- 3 (1) To the extent that the transfer was both of the following:
- 4 (A) Intended by the assignor and the creditor to or for whose
5 benefit the transfer was made to be a contemporaneous exchange
6 for new value given to the assignor.
- 7 (B) In fact a substantially contemporaneous exchange.
- 8 (2) To the extent that the transfer was all of the following:
- 9 (A) In payment of a debt incurred in the ordinary course of
10 business or financial affairs of the assignor and the transferee.
- 11 (B) Made in the ordinary course of business or financial affairs
12 of the assignor and the transferee.
- 13 (C) Made according to ordinary business terms.
- 14 (3) Of a security interest in property acquired by the assignor
15 that meets both of the following:
- 16 (A) To the extent the security interest secures new value that
17 was all of the following:
- 18 (i) Given at or after the signing of a security agreement that
19 contains a description of the property as collateral.
- 20 (ii) Given by or on behalf of the secured party under the
21 agreement.
- 22 (iii) Given to enable the assignor to acquire the property.
- 23 (iv) In fact used by the assignor to acquire the property.
- 24 (B) That is perfected within 20 days after the security interest
25 attaches.
- 26 (4) To or for the benefit of a creditor, to the extent that, after
27 the transfer, the creditor gave new value to or for the benefit of
28 the assignor that meets both of the following:
- 29 (A) Not secured by an otherwise unavoidable security interest.
- 30 (B) On account of which new value the assignor did not make
31 an otherwise unavoidable transfer to or for the benefit of the
32 creditor.
- 33 (5) Of a perfected security interest in inventory or a receivable
34 or the proceeds of either, except to the extent that the aggregate
35 of all the transfers to the transferee caused a reduction, as of the
36 date of the making of the assignment and to the prejudice of other
37 creditors holding unsecured claims, of any amount by which the
38 debt secured by the security interest exceeded the value of all
39 security interest for the debt on the later of the following:
- 40 (A) Ninety days before the date of the making of the assignment.

1 (B) The date on which new value was first given under the
2 security agreement creating the security interest.

3 (6) That is the fixing of a statutory lien.

4 (7) That is payment to a claimant, as defined in Section-8002
5 ~~or Section 9002~~ 8004 of the Civil Code, in exchange for the
6 claimant's waiver or release of any potential or asserted claim of
7 lien, stop payment notice, or right to recover on a payment bond,
8 or any combination thereof.

9 (8) To the extent that the transfer was a bona fide payment of
10 a debt to a spouse, former spouse, or child of the debtor, for
11 alimony to, maintenance for, or support of, the spouse or child, in
12 connection with a separation agreement, divorce decree, or other
13 order of a court of record, or a determination made in accordance
14 with state or territorial law by a governmental unit, or property
15 settlement agreement; but not to the extent that either of the
16 following occurs:

17 (A) The debt is assigned to another entity voluntarily, by
18 operation of law or otherwise, in which case the assignee may not
19 recover that portion of the transfer that is assigned to the state or
20 any political subdivision of the state pursuant to Part D of Title
21 IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.) and
22 passed on to the spouse, former spouse, or child of the debtor.

23 (B) The debt includes a liability designated as alimony,
24 maintenance, or support, unless the liability is actually in the nature
25 of alimony, maintenance, or support.

26 (d) An assignee of any general assignment for the benefit of
27 creditors, as defined in Section 493.010, may avoid a transfer of
28 property of the assignor transferred to secure reimbursement of a
29 surety that furnished a bond or other obligation to dissolve a
30 judicial lien that would have been avoidable by the assignee under
31 subdivision (b). The liability of the surety under the bond or
32 obligation shall be discharged to the extent of the value of the
33 property recovered by the assignee or the amount paid to the
34 assignee.

35 (e) (1) For the purposes of this section:

36 (A) A transfer of real property other than fixtures, but including
37 the interest of a seller or purchaser under a contract for the sale of
38 real property, is perfected when a bona fide purchaser of the
39 property from the debtor, against whom applicable law permits

1 the transfer to be perfected, cannot acquire an interest that is
2 superior to the interest of the transferee.

3 (B) A transfer of a fixture or property other than real property
4 is perfected when a creditor on a simple contract cannot acquire
5 a judicial lien that is superior to the interest of the transferee.

6 (2) For the purposes of this section, except as provided in
7 paragraph (3), a transfer is made at any of the following times:

8 (A) At the time the transfer takes effect between the transferor
9 and the transferee, if the transfer is perfected at, or within 10 days
10 after, the time, except as provided in subparagraph (B) of paragraph
11 (3) of subdivision (c).

12 (B) At the time the transfer is perfected, if the transfer is
13 perfected after the 10 days.

14 (C) Immediately before the date of making the assignment if
15 the transfer is not perfected at the later of:

16 (i) The making of the assignment.

17 (ii) Ten days after the transfer takes effect between the transferor
18 and the transferee.

19 (3) For the purposes of this section, a transfer is not made until
20 the assignor has acquired rights in the property transferred.

21 (f) For the purposes of this section, the assignor is presumed to
22 have been insolvent on and during the 90 days immediately
23 preceding the date of making the assignment.

24 (g) An action by an assignee under this section must be
25 commenced within one year after making the assignment.

26 SEC. 27. Section 17307.5 of the Education Code is amended
27 to read:

28 17307.5. (a) Notwithstanding any provision of law to the
29 contrary, including, but not limited to, Title-2 3 (commencing with
30 Section 9000) of Part 6 of Division 4 of the Civil Code, the
31 Department of General Services may issue a stop work order when
32 construction work on a public school is not being performed in
33 accordance with existing law and would compromise the structural
34 integrity of the building, thereby endangering the public safety.
35 The Department of General Services shall allow construction of
36 incidental and minor nonstructural additions or nonstructural
37 alterations without invoking its stop work authority.

38 (b) A school district, county superintendent of schools, county
39 board of education, or other public board, body, or officer whose
40 construction work on a public school is subject to a stop work

1 order issued pursuant to subdivision (a) shall not be held liable in
2 any action filed against the public board, body, or officer for
3 stopping work as required by the stop work order, or for any delays
4 caused by compliance with the stop work order, except to the extent
5 that an error or omission by the public board, body, or officer is
6 the basis for the issuance of the stop work order.

7 SEC. 28. Section 81133.5 of the Education Code is amended
8 to read:

9 81133.5. (a) Notwithstanding any provision of law to the
10 contrary, including, but not limited to, Title 23 (commencing with
11 Section 9000) of Part 6 of Division 4 of the Civil Code, the
12 Department of General Services may issue a stop work order when
13 construction work on a community college is not being performed
14 in accordance with existing law and would compromise the
15 structural integrity of the building, thereby endangering the public
16 safety. The Department of General Services shall allow
17 construction of incidental and minor nonstructural additions or
18 nonstructural alterations without invoking its stop work authority.

19 (b) A community college district or other public board, body,
20 or officer whose construction work on a community college is
21 subject to a stop work order issued pursuant to subdivision (a)
22 shall not be held liable in any action filed against the public board,
23 body, or officer for stopping work as required by the stop work
24 order, or for any delays caused by compliance with the stop work
25 order, except to the extent that an error or omission by the public
26 board, body, or officer is that basis for the issuance of the stop
27 work order.

28 SEC. 29. Section 7480 of the Government Code, as amended
29 by Section 1 of Chapter 234 of the Statutes of 2008, is amended
30 to read:

31 7480. Nothing in this chapter shall prohibit any of the
32 following:

33 (a) The dissemination of any financial information that is not
34 identified with, or identifiable as being derived from, the financial
35 records of a particular customer.

36 (b) When any police or sheriff's department or district attorney
37 in this state certifies to a bank, credit union, or savings association
38 in writing that a crime report has been filed that involves the
39 alleged fraudulent use of drafts, checks, access cards, or other
40 orders drawn upon any bank, credit union, or savings association

1 in this state, the police or sheriff's department or district attorney,
2 a county adult protective services office when investigating the
3 financial abuse of an elder or dependent adult, or a long-term care
4 ombudsman when investigating the financial abuse of an elder or
5 dependent adult, may request a bank, credit union, or savings
6 association to furnish, and a bank, credit union, or savings
7 association shall furnish, a statement setting forth the following
8 information with respect to a customer account specified by the
9 requesting party for a period 30 days prior to, and up to 30 days
10 following, the date of occurrence of the alleged illegal act involving
11 the account:

12 (1) The number of items dishonored.

13 (2) The number of items paid that created overdrafts.

14 (3) The dollar volume of the dishonored items and items paid
15 which created overdrafts and a statement explaining any credit
16 arrangement between the bank, credit union, or savings association
17 and customer to pay overdrafts.

18 (4) The dates and amounts of deposits and debits and the account
19 balance on these dates.

20 (5) A copy of the signature card, including the signature and
21 any addresses appearing on a customer's signature card.

22 (6) The date the account opened and, if applicable, the date the
23 account closed.

24 (7) Surveillance photographs and video recordings of persons
25 accessing the crime victim's financial account via an automated
26 teller machine (ATM) or from within the financial institution for
27 dates on which illegal acts involving the account were alleged to
28 have occurred. Nothing in this paragraph does any of the following:

29 (A) Requires a financial institution to produce a photograph or
30 video recording if it does not possess the photograph or video
31 recording.

32 (B) Affects any existing civil immunities as provided in Section
33 47 of the Civil Code or any other provision of law.

34 (8) A bank, credit union, or savings association that provides
35 the requesting party with copies of one or more complete account
36 statements prepared in the regular course of business shall be
37 deemed to be in compliance with paragraphs (1), (2), (3), and (4).

38 (c) When any police or sheriff's department or district attorney
39 in this state certifies to a bank, credit union, or savings association
40 in writing that a crime report has been filed that involves the

1 alleged fraudulent use of drafts, checks, access cards, or other
2 orders drawn upon any bank, credit union, or savings association
3 doing business in this state, the police or sheriff's department or
4 district attorney, a county adult protective services office when
5 investigating the financial abuse of an elder or dependent adult,
6 or a long-term care ombudsman when investigating the financial
7 abuse of an elder or dependent adult, may request, with the consent
8 of the accountholder, the bank, credit union, or savings association
9 to furnish, and the bank, credit union, or savings association shall
10 furnish, a statement setting forth the following information with
11 respect to a customer account specified by the requesting party for
12 a period 30 days prior to, and up to 30 days following, the date of
13 occurrence of the alleged illegal act involving the account:

14 (1) The number of items dishonored.

15 (2) The number of items paid that created overdrafts.

16 (3) The dollar volume of the dishonored items and items paid
17 which created overdrafts and a statement explaining any credit
18 arrangement between the bank, credit union, or savings association
19 and customer to pay overdrafts.

20 (4) The dates and amounts of deposits and debits and the account
21 balance on these dates.

22 (5) A copy of the signature card, including the signature and
23 any addresses appearing on a customer's signature card.

24 (6) The date the account opened and, if applicable, the date the
25 account closed.

26 (7) Surveillance photographs and video recordings of persons
27 accessing the crime victim's financial account via an automated
28 teller machine (ATM) or from within the financial institution for
29 dates on which illegal acts involving this account were alleged to
30 have occurred. Nothing in this paragraph does any of the following:

31 (A) Requires a financial institution to produce a photograph or
32 video recording if it does not possess the photograph or video
33 recording.

34 (B) Affects any existing civil immunities as provided in Section
35 47 of the Civil Code or any other provision of law.

36 (8) A bank, credit union, or savings association doing business
37 in this state that provides the requesting party with copies of one
38 or more complete account statements prepared in the regular course
39 of business shall be deemed to be in compliance with paragraphs
40 (1), (2), (3), and (4).

(d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:

(1) Authorization of the disclosure for the period specified in subdivision (c).

(2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.

(3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Corporations when conducting investigations in connection with the enforcement of laws administered by the Commissioner of Corporations, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Financial Institutions by reference to Division 1 (commencing with Section 99), Division 1.5 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division ~~16~~ 15 (commencing with Section ~~33000~~ 31000), and Division 16 (commencing with Section 33000), of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001), of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14

1 (commencing with Section 32001), and Part 17 (commencing with
2 Section 37001), of Division 2 of the Revenue and Taxation Code.

3 (3) The amount of any security interest a financial institution
4 has in a specified asset of a customer, if the inquiry is directed to
5 the branch or office where the interest is held.

6 (i) The disclosure to the Controller of the information required
7 by Section 7853 of the Revenue and Taxation Code.

8 (j) The disclosure to the Employment Development Department
9 of the amount of any security interest a financial institution has in
10 a specified asset of a customer, if the inquiry is directed to the
11 branch or office where the interest is held.

12 (k) The disclosure by a construction lender, as defined in Section
13 8006 of the Civil Code, to the Registrar of Contractors, of
14 information concerning the making of progress payments to a
15 prime contractor requested by the registrar in connection with an
16 investigation under Section 7108.5 of the Business and Professions
17 Code.

18 (l) Upon receipt of a written request from a local child support
19 agency referring to a support order pursuant to Section 17400 of
20 the Family Code, a financial institution shall disclose the following
21 information concerning the account or the person named in the
22 request, whom the local child support agency shall identify,
23 whenever possible, by social security number:

24 (1) If the request states the identifying number of an account at
25 a financial institution, the name of each owner of the account.

26 (2) Each account maintained by the person at the branch to
27 which the request is delivered, and, if the branch is able to make
28 a computerized search, each account maintained by the person at
29 any other branch of the financial institution located in this state.

30 (3) For each account disclosed pursuant to paragraphs (1) and
31 (2), the account number, current balance, street address of the
32 branch where the account is maintained, and, to the extent available
33 through the branch's computerized search, the name and address
34 of any other person listed as an owner.

35 (4) Whenever the request prohibits the disclosure, a financial
36 institution shall not disclose either the request or its response, to
37 an owner of the account or to any other person, except the officers
38 and employees of the financial institution who are involved in
39 responding to the request and to attorneys, employees of the local
40 child support agencies, auditors, and regulatory authorities who

1 have a need to know in order to perform their duties, and except
2 as disclosure may be required by legal process.

3 (5) No financial institution, or any officer, employee, or agent
4 thereof, shall be liable to any person for (A) disclosing information
5 in response to a request pursuant to this subdivision, (B) failing to
6 notify the owner of an account, or complying with a request under
7 this paragraph not to disclose to the owner, the request or disclosure
8 under this subdivision, or (C) failing to discover any account owned
9 by the person named in the request pursuant to a computerized
10 search of the records of the financial institution.

11 (6) The local child support agency may request information
12 pursuant to this subdivision only when the local child support
13 agency has received at least one of the following types of physical
14 evidence:

15 (A) Any of the following, dated within the last three years:

- 16 (i) Form 599.
- 17 (ii) Form 1099.
- 18 (iii) A bank statement.
- 19 (iv) A check.
- 20 (v) A bank passbook.
- 21 (vi) A deposit slip.
- 22 (vii) A copy of a federal or state income tax return.
- 23 (viii) A debit or credit advice.
- 24 (ix) Correspondence that identifies the child support obligor by
25 name, the bank, and the account number.
- 26 (x) Correspondence that identifies the child support obligor by
27 name, the bank, and the banking services related to the account of
28 the obligor.

29 (xi) An asset identification report from a federal agency.

30 (B) A sworn declaration of the custodial parent during the 12
31 months immediately preceding the request that the person named
32 in the request has had or may have had an account at an office or
33 branch of the financial institution to which the request is made.

34 (7) Information obtained by a local child support agency
35 pursuant to this subdivision shall be used only for purposes that
36 are directly connected with the administration of the duties of the
37 local child support agency pursuant to Section 17400 of the Family
38 Code.

39 (m) (1) As provided in paragraph (1) of subdivision (c) of
40 Section 666 of Title 42 of the United States Code, upon receipt of

1 an administrative subpoena on the current federally approved
2 interstate child support enforcement form, as approved by the
3 federal Office of Management and Budget, a financial institution
4 shall provide the information or documents requested by the
5 administrative subpoena.

6 (2) The administrative subpoena shall refer to the current federal
7 Office of Management and Budget control number and be signed
8 by a person who states that he or she is an authorized agent of a
9 state or county agency responsible for implementing the child
10 support enforcement program set forth in Part D (commencing
11 with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the
12 United States Code. A financial institution may rely on the
13 statements made in the subpoena and has no duty to inquire into
14 the truth of any statement in the subpoena.

15 (3) If the person who signs the administrative subpoena directs
16 a financial institution in writing not to disclose either the subpoena
17 or its response to any owner of an account covered by the subpoena,
18 the financial institution shall not disclose the subpoena or its
19 response to the owner.

20 (4) No financial institution, or any officer, employee, or agent
21 thereof, shall be liable to any person for (A) disclosing information
22 or providing documents in response to a subpoena pursuant to this
23 subdivision, (B) failing to notify any owner of an account covered
24 by the subpoena or complying with a request not to disclose to the
25 owner, the subpoena or disclosure under this subdivision, or (C)
26 failing to discover any account owned by the person named in the
27 subpoena pursuant to a computerized search of the records of the
28 financial institution.

29 (n) The dissemination of financial information and records
30 pursuant to any of the following:

31 (1) Compliance by a financial institution with the requirements
32 of Section 2892 of the Probate Code.

33 (2) Compliance by a financial institution with the requirements
34 of Section 2893 of the Probate Code.

35 (3) An order by a judge upon a written ex parte application by
36 a peace officer showing specific and articulable facts that there
37 are reasonable grounds to believe that the records or information
38 sought are relevant and material to an ongoing investigation of a
39 felony violation of Section 186.10 or of any felony subject to the
40 enhancement set forth in Section 186.11.

1 (A) The ex parte application shall specify with particularity the
2 records to be produced, which shall be only those of the individual
3 or individuals who are the subject of the criminal investigation.

4 (B) The ex parte application and any subsequent judicial order
5 shall be open to the public as a judicial record unless ordered sealed
6 by the court, for a period of 60 days. The sealing of these records
7 may be extended for 60-day periods upon a showing to the court
8 that it is necessary for the continuance of the investigation.
9 Sixty-day extensions may continue for up to one year or until
10 termination of the investigation of the individual or individuals,
11 whichever is sooner.

12 (C) The records ordered to be produced shall be returned to the
13 peace officer applicant or his or her designee within a reasonable
14 time period after service of the order upon the financial institution.

15 (D) Nothing in this subdivision shall preclude the financial
16 institution from notifying a customer of the receipt of the order
17 for production of records unless a court orders the financial
18 institution to withhold notification to the customer upon a finding
19 that the notice would impede the investigation.

20 (E) Where a court has made an order pursuant to this paragraph
21 to withhold notification to the customer under this paragraph, the
22 peace officer or law enforcement agency who obtained the financial
23 information shall notify the customer by delivering a copy of the
24 ex parte order to the customer within 10 days of the termination
25 of the investigation.

26 (4) No financial institution, or any officer, employee, or agent
27 thereof, shall be liable to any person for any of the following:

28 (A) Disclosing information to a probate court pursuant to
29 Sections 2892 and 2893.

30 (B) Disclosing information in response to a court order pursuant
31 to paragraph (3).

32 (C) Complying with a court order under this subdivision not to
33 disclose to the customer, the order, or the dissemination of
34 information pursuant to the court order.

35 (o) Disclosure by a financial institution to a peace officer, as
36 defined in Section 830.1 of the Penal Code, pursuant to the
37 following:

38 (1) Paragraph (1) of subdivision (a) of Section 1748.95 of the
39 Civil Code, provided that the financial institution has first complied

1 with the requirements of paragraph (2) of subdivision (a) and
2 subdivision (b) of Section 1748.95 of the Civil Code.

3 (2) Paragraph (1) of subdivision (a) of Section 4002 of the
4 Financial Code, provided that the financial institution has first
5 complied with the requirements of paragraph (2) of subdivision
6 (a) and subdivision (b) of Section 4002 of the Financial Code.

7 (3) Paragraph (1) of subdivision (a) of Section 22470 of the
8 Financial Code, provided that any financial institution that is a
9 finance lender has first complied with the requirements of
10 paragraph (2) of subdivision (a) and subdivision (b) of Section
11 22470 of the Financial Code.

12 (p) When the governing board of the Public Employees'
13 Retirement System or the State Teachers' Retirement System
14 certifies in writing to a financial institution that a benefit recipient
15 has died and that transfers to the benefit recipient's account at the
16 financial institution from the retirement system occurred after the
17 benefit recipient's date of death, the financial institution shall
18 furnish the retirement system with the name and address of any
19 coowner, cosigner, or any other person who had access to the funds
20 in the account following the date of the benefit recipient's death,
21 or if the account has been closed, the name and address of the
22 person who closed the account.

23 (q) When the retirement board of a retirement system established
24 under the County Employees Retirement Law of 1937 certifies in
25 writing to a financial institution that a retired member or the
26 beneficiary of a retired member has died and that transfers to the
27 account of the retired member or beneficiary of a retired member
28 at the financial institution from the retirement system occurred
29 after the date of death of the retired member or beneficiary of a
30 retired member, the financial institution shall furnish the retirement
31 system with the name and address of any coowner, cosigner, or
32 any other person who had access to the funds in the account
33 following the date of death of the retired member or beneficiary
34 of a retired member, or if the account has been closed, the name
35 and address of the person who closed the account.

36 (r) When the Franchise Tax Board certifies in writing to a
37 financial institution that (1) a taxpayer filed a tax return that
38 authorized a direct deposit refund with an incorrect financial
39 institution account or routing number that resulted in all or a
40 portion of the refund not being received, directly or indirectly, by

1 the taxpayer; (2) the direct deposit refund was not returned to the
2 Franchise Tax Board; and (3) the refund was deposited directly
3 on a specified date into the account of an accountholder of the
4 financial institution who was not entitled to receive the refund,
5 then the financial institution shall furnish to the Franchise Tax
6 Board the name and address of any coowner, cosigner, or any other
7 person who had access to the funds in the account following the
8 date of direct deposit refund, or if the account has been closed, the
9 name and address of the person who closed the account.

10 SEC. 30. Section 7480 of the Government Code, as amended
11 by Section 2 of Chapter 234 of the Statutes of 2008, is amended
12 to read:

13 7480. Nothing in this chapter shall prohibit any of the
14 following:

15 (a) The dissemination of any financial information that is not
16 identified with, or identifiable as being derived from, the financial
17 records of a particular customer.

18 (b) When any police or sheriff's department or district attorney
19 in this state certifies to a bank, credit union, or savings association
20 in writing that a crime report has been filed that involves the
21 alleged fraudulent use of drafts, checks, access cards, or other
22 orders drawn upon any bank, credit union, or savings association
23 in this state, the police or sheriff's department or district attorney,
24 a county adult protective services office when investigating the
25 financial abuse of an elder or dependent adult, or a long-term care
26 ombudsman when investigating the financial abuse of an elder or
27 dependent adult, may request a bank, credit union, or savings
28 association to furnish, and a bank, credit union, or savings
29 association shall furnish, a statement setting forth the following
30 information with respect to a customer account specified by the
31 requesting party for a period 30 days prior to, and up to 30 days
32 following, the date of occurrence of the alleged illegal act involving
33 the account:

34 (1) The number of items dishonored.

35 (2) The number of items paid that created overdrafts.

36 (3) The dollar volume of the dishonored items and items paid
37 which created overdrafts and a statement explaining any credit
38 arrangement between the bank, credit union, or savings association
39 and customer to pay overdrafts.

1 (4) The dates and amounts of deposits and debits and the account
2 balance on these dates.

3 (5) A copy of the signature card, including the signature and
4 any addresses appearing on a customer's signature card.

5 (6) The date the account opened and, if applicable, the date the
6 account closed.

7 (7) Surveillance photographs and video recordings of persons
8 accessing the crime victim's financial account via an automated
9 teller machine (ATM) or from within the financial institution for
10 dates on which illegal acts involving the account were alleged to
11 have occurred. Nothing in this paragraph does any of the following:

12 (A) Requires a financial institution to produce a photograph or
13 video recording if it does not possess the photograph or video
14 recording.

15 (B) Affects any existing civil immunities as provided in Section
16 47 of the Civil Code or any other provision of law.

17 (8) A bank, credit union, or savings association that provides
18 the requesting party with copies of one or more complete account
19 statements prepared in the regular course of business shall be
20 deemed to be in compliance with paragraphs (1), (2), (3), and (4).

21 (c) When any police or sheriff's department or district attorney
22 in this state certifies to a bank, credit union, or savings association
23 in writing that a crime report has been filed that involves the
24 alleged fraudulent use of drafts, checks, access cards, or other
25 orders drawn upon any bank, credit union, or savings association
26 doing business in this state, the police or sheriff's department or
27 district attorney, a county adult protective services office when
28 investigating the financial abuse of an elder or dependent adult,
29 or a long-term care ombudsman when investigating the financial
30 abuse of an elder or dependent adult, may request, with the consent
31 of the accountholder, the bank, credit union, or savings association
32 to furnish, and the bank, credit union, or savings association shall
33 furnish, a statement setting forth the following information with
34 respect to a customer account specified by the requesting party for
35 a period 30 days prior to, and up to 30 days following, the date of
36 occurrence of the alleged illegal act involving the account:

37 (1) The number of items dishonored.

38 (2) The number of items paid that created overdrafts.

39 (3) The dollar volume of the dishonored items and items paid
40 which created overdrafts and a statement explaining any credit

1 arrangement between the bank, credit union, or savings association
2 and customer to pay overdrafts.

3 (4) The dates and amounts of deposits and debits and the account
4 balance on these dates.

5 (5) A copy of the signature card, including the signature and
6 any addresses appearing on a customer's signature card.

7 (6) The date the account opened and, if applicable, the date the
8 account closed.

9 (7) Surveillance photographs and video recordings of persons
10 accessing the crime victim's financial account via an automated
11 teller machine (ATM) or from within the financial institution for
12 dates on which illegal acts involving this account were alleged to
13 have occurred. Nothing in this paragraph does any of the following:

14 (A) Requires a financial institution to produce a photograph or
15 video recording if it does not possess the photograph or video
16 recording.

17 (B) Affects any existing civil immunities as provided in Section
18 47 of the Civil Code or any other provision of law.

19 (8) A bank, credit union, or savings association doing business
20 in this state that provides the requesting party with copies of one
21 or more complete account statements prepared in the regular course
22 of business shall be deemed to be in compliance with paragraphs
23 (1), (2), (3), and (4).

24 (d) For purposes of subdivision (c), consent of the accountholder
25 shall be satisfied if an accountholder provides to the financial
26 institution and the person or entity seeking disclosure, a signed
27 and dated statement containing all of the following:

28 (1) Authorization of the disclosure for the period specified in
29 subdivision (c).

30 (2) The name of the agency or department to which disclosure
31 is authorized and, if applicable, the statutory purpose for which
32 the information is to be obtained.

33 (3) A description of the financial records that are authorized to
34 be disclosed.

35 (e) (1) The Attorney General, a supervisory agency, the
36 Franchise Tax Board, the State Board of Equalization, the
37 Employment Development Department, the Controller or an
38 inheritance tax referee when administering the Prohibition of Gift
39 and Death Taxes (Part 8 (commencing with Section 13301) of
40 Division 2 of the Revenue and Taxation Code), a police or sheriff's

1 department or district attorney, a county adult protective services
2 office when investigating the financial abuse of an elder or
3 dependent adult, a long-term care ombudsman when investigating
4 the financial abuse of an elder or dependent adult, a county welfare
5 department when investigating welfare fraud, a county
6 auditor-controller or director of finance when investigating fraud
7 against the county, or the Department of Corporations when
8 conducting investigations in connection with the enforcement of
9 laws administered by the Commissioner of Corporations, from
10 requesting of an office or branch of a financial institution, and the
11 office or branch from responding to a request, as to whether a
12 person has an account or accounts at that office or branch and, if
13 so, any identifying numbers of the account or accounts.

14 (2) No additional information beyond that specified in this
15 section shall be released to a county welfare department without
16 either the accountholder's written consent or a judicial writ, search
17 warrant, subpoena, or other judicial order.

18 (3) A county auditor-controller or director of finance who
19 unlawfully discloses information he or she is authorized to request
20 under this subdivision is guilty of the unlawful disclosure of
21 confidential data, a misdemeanor, which shall be punishable as
22 set forth in Section 7485.

23 (f) The examination by, or disclosure to, any supervisory agency
24 of financial records that relate solely to the exercise of its
25 supervisory function. The scope of an agency's supervisory
26 function shall be determined by reference to statutes that grant
27 authority to examine, audit, or require reports of financial records
28 or financial institutions as follows:

29 (1) With respect to the Commissioner of Financial Institutions
30 by reference to Division 1 (commencing with Section 99), Division
31 1.5 (commencing with Section 4800), Division 2 (commencing
32 with Section 5000), Division 5 (commencing with Section 14000),
33 Division 7 (commencing with Section 18000), Division 15
34 (commencing with Section 31000), and Division 16 (commencing
35 with Section 33000), of the Financial Code.

36 (2) With respect to the Controller by reference to Title 10
37 (commencing with Section 1300) of Part 3 of the Code of Civil
38 Procedure.

39 (3) With respect to the Administrator of Local Agency Security
40 by reference to Article 2 (commencing with Section 53630) of

1 Chapter 4 of Part 1 of Division 2 of Title 5 of the Government
2 Code.

3 (g) The disclosure to the Franchise Tax Board of (1) the amount
4 of any security interest that a financial institution has in a specified
5 asset of a customer or (2) financial records in connection with the
6 filing or audit of a tax return or tax information return that are
7 required to be filed by the financial institution pursuant to Part 10
8 (commencing with Section 17001), Part 11 (commencing with
9 Section 23001), or Part 18 (commencing with Section 38001), of
10 the Revenue and Taxation Code.

11 (h) The disclosure to the State Board of Equalization of any of
12 the following:

13 (1) The information required by Sections 6702, 6703, 8954,
14 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155,
15 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404,
16 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the
17 Revenue and Taxation Code.

18 (2) The financial records in connection with the filing or audit
19 of a tax return required to be filed by the financial institution
20 pursuant to Part 1 (commencing with Section 6001), Part 2
21 (commencing with Section 7301), Part 3 (commencing with Section
22 8601), Part 13 (commencing with Section 30001), Part 14
23 (commencing with Section 32001), and Part 17 (commencing with
24 Section 37001), of Division 2 of the Revenue and Taxation Code.

25 (3) The amount of any security interest a financial institution
26 has in a specified asset of a customer, if the inquiry is directed to
27 the branch or office where the interest is held.

28 (i) The disclosure to the Controller of the information required
29 by Section 7853 of the Revenue and Taxation Code.

30 (j) The disclosure to the Employment Development Department
31 of the amount of any security interest a financial institution has in
32 a specified asset of a customer, if the inquiry is directed to the
33 branch or office where the interest is held.

34 (k) The disclosure by a construction lender, as defined in Section
35 8006 of the Civil Code, to the Registrar of Contractors, of
36 information concerning the making of progress payments to a
37 prime contractor requested by the registrar in connection with an
38 investigation under Section 7108.5 of the Business and Professions
39 Code.

1 (l) Upon receipt of a written request from a local child support
2 agency referring to a support order pursuant to Section 17400 of
3 the Family Code, a financial institution shall disclose the following
4 information concerning the account or the person named in the
5 request, whom the local child support agency shall identify,
6 whenever possible, by social security number:

7 (1) If the request states the identifying number of an account at
8 a financial institution, the name of each owner of the account.

9 (2) Each account maintained by the person at the branch to
10 which the request is delivered, and, if the branch is able to make
11 a computerized search, each account maintained by the person at
12 any other branch of the financial institution located in this state.

13 (3) For each account disclosed pursuant to paragraphs (1) and
14 (2), the account number, current balance, street address of the
15 branch where the account is maintained, and, to the extent available
16 through the branch's computerized search, the name and address
17 of any other person listed as an owner.

18 (4) Whenever the request prohibits the disclosure, a financial
19 institution shall not disclose either the request or its response, to
20 an owner of the account or to any other person, except the officers
21 and employees of the financial institution who are involved in
22 responding to the request and to attorneys, employees of the local
23 child support agencies, auditors, and regulatory authorities who
24 have a need to know in order to perform their duties, and except
25 as disclosure may be required by legal process.

26 (5) No financial institution, or any officer, employee, or agent
27 thereof, shall be liable to any person for (A) disclosing information
28 in response to a request pursuant to this subdivision, (B) failing to
29 notify the owner of an account, or complying with a request under
30 this paragraph not to disclose to the owner, the request or disclosure
31 under this subdivision, or (C) failing to discover any account owned
32 by the person named in the request pursuant to a computerized
33 search of the records of the financial institution.

34 (6) The local child support agency may request information
35 pursuant to this subdivision only when the local child support
36 agency has received at least one of the following types of physical
37 evidence:

38 (A) Any of the following, dated within the last three years:

39 (i) Form 599.

40 (ii) Form 1099.

1 (iii) A bank statement.

2 (iv) A check.

3 (v) A bank passbook.

4 (vi) A deposit slip.

5 (vii) A copy of a federal or state income tax return.

6 (viii) A debit or credit advice.

7 (ix) Correspondence that identifies the child support obligor by
8 name, the bank, and the account number.

9 (x) Correspondence that identifies the child support obligor by
10 name, the bank, and the banking services related to the account of
11 the obligor.

12 (xi) An asset identification report from a federal agency.

13 (B) A sworn declaration of the custodial parent during the 12
14 months immediately preceding the request that the person named
15 in the request has had or may have had an account at an office or
16 branch of the financial institution to which the request is made.

17 (7) Information obtained by a local child support agency
18 pursuant to this subdivision shall be used only for purposes that
19 are directly connected with the administration of the duties of the
20 local child support agency pursuant to Section 17400 of the Family
21 Code.

22 (m) (1) As provided in paragraph (1) of subdivision (c) of
23 Section 666 of Title 42 of the United States Code, upon receipt of
24 an administrative subpoena on the current federally approved
25 interstate child support enforcement form, as approved by the
26 federal Office of Management and Budget, a financial institution
27 shall provide the information or documents requested by the
28 administrative subpoena.

29 (2) The administrative subpoena shall refer to the current federal
30 Office of Management and Budget control number and be signed
31 by a person who states that he or she is an authorized agent of a
32 state or county agency responsible for implementing the child
33 support enforcement program set forth in Part D (commencing
34 with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the
35 United States Code. A financial institution may rely on the
36 statements made in the subpoena and has no duty to inquire into
37 the truth of any statement in the subpoena.

38 (3) If the person who signs the administrative subpoena directs
39 a financial institution in writing not to disclose either the subpoena
40 or its response to any owner of an account covered by the subpoena,

1 the financial institution shall not disclose the subpoena or its
2 response to the owner.

3 (4) No financial institution, or any officer, employee, or agent
4 thereof, shall be liable to any person for (A) disclosing information
5 or providing documents in response to a subpoena pursuant to this
6 subdivision, (B) failing to notify any owner of an account covered
7 by the subpoena or complying with a request not to disclose to the
8 owner, the subpoena or disclosure under this subdivision, or (C)
9 failing to discover any account owned by the person named in the
10 subpoena pursuant to a computerized search of the records of the
11 financial institution.

12 (n) The dissemination of financial information and records
13 pursuant to any of the following:

14 (1) Compliance by a financial institution with the requirements
15 of Section 2892 of the Probate Code.

16 (2) Compliance by a financial institution with the requirements
17 of Section 2893 of the Probate Code.

18 (3) An order by a judge upon a written ex parte application by
19 a peace officer showing specific and articulable facts that there
20 are reasonable grounds to believe that the records or information
21 sought are relevant and material to an ongoing investigation of a
22 felony violation of Section 186.10 or of any felony subject to the
23 enhancement set forth in Section 186.11.

24 (A) The ex parte application shall specify with particularity the
25 records to be produced, which shall be only those of the individual
26 or individuals who are the subject of the criminal investigation.

27 (B) The ex parte application and any subsequent judicial order
28 shall be open to the public as a judicial record unless ordered sealed
29 by the court, for a period of 60 days. The sealing of these records
30 may be extended for 60-day periods upon a showing to the court
31 that it is necessary for the continuance of the investigation.
32 Sixty-day extensions may continue for up to one year or until
33 termination of the investigation of the individual or individuals,
34 whichever is sooner.

35 (C) The records ordered to be produced shall be returned to the
36 peace officer applicant or his or her designee within a reasonable
37 time period after service of the order upon the financial institution.

38 (D) Nothing in this subdivision shall preclude the financial
39 institution from notifying a customer of the receipt of the order
40 for production of records unless a court orders the financial

1 institution to withhold notification to the customer upon a finding
2 that the notice would impede the investigation.

3 (E) Where a court has made an order pursuant to this paragraph
4 to withhold notification to the customer under this paragraph, the
5 peace officer or law enforcement agency who obtained the financial
6 information shall notify the customer by delivering a copy of the
7 ex parte order to the customer within 10 days of the termination
8 of the investigation.

9 (4) No financial institution, or any officer, employee, or agent
10 thereof, shall be liable to any person for any of the following:

11 (A) Disclosing information to a probate court pursuant to
12 Sections 2892 and 2893.

13 (B) Disclosing information in response to a court order pursuant
14 to paragraph (3).

15 (C) Complying with a court order under this subdivision not to
16 disclose to the customer, the order, or the dissemination of
17 information pursuant to the court order.

18 (o) Disclosure by a financial institution to a peace officer, as
19 defined in Section 830.1 of the Penal Code, pursuant to the
20 following:

21 (1) Paragraph (1) of subdivision (a) of Section 1748.95 of the
22 Civil Code, provided that the financial institution has first complied
23 with the requirements of paragraph (2) of subdivision (a) and
24 subdivision (b) of Section 1748.95 of the Civil Code.

25 (2) Paragraph (1) of subdivision (a) of Section 4002 of the
26 Financial Code, provided that the financial institution has first
27 complied with the requirements of paragraph (2) of subdivision
28 (a) and subdivision (b) of Section 4002 of the Financial Code.

29 (3) Paragraph (1) of subdivision (a) of Section 22470 of the
30 Financial Code, provided that any financial institution that is a
31 finance lender has first complied with the requirements of
32 paragraph (2) of subdivision (a) and subdivision (b) of Section
33 22470 of the Financial Code.

34 (p) When the governing board of the Public Employees'
35 Retirement System or the State Teachers' Retirement System
36 certifies in writing to a financial institution that a benefit recipient
37 has died and that transfers to the benefit recipient's account at the
38 financial institution from the retirement system occurred after the
39 benefit recipient's date of death, the financial institution shall
40 furnish the retirement system with the name and address of any

1 coowner, cosigner, or any other person who had access to the funds
2 in the account following the date of the benefit recipient's death,
3 or if the account has been closed, the name and address of the
4 person who closed the account.

5 (q) When the retirement board of a retirement system established
6 under the County Employees Retirement Law of 1937 certifies in
7 writing to a financial institution that a retired member or the
8 beneficiary of a retired member has died and that transfers to the
9 account of the retired member or beneficiary of a retired member
10 at the financial institution from the retirement system occurred
11 after the date of death of the retired member or beneficiary of a
12 retired member, the financial institution shall furnish the retirement
13 system with the name and address of any coowner, cosigner, or
14 any other person who had access to the funds in the account
15 following the date of death of the retired member or beneficiary
16 of a retired member, or if the account has been closed, the name
17 and address of the person who closed the account.

18 (r) When the Franchise Tax Board certifies in writing to a
19 financial institution that (1) a taxpayer filed a tax return that
20 authorized a direct deposit refund with an incorrect financial
21 institution account or routing number that resulted in all or a
22 portion of the refund not being received, directly or indirectly, by
23 the taxpayer; (2) the direct deposit refund was not returned to the
24 Franchise Tax Board; and (3) the refund was deposited directly
25 on a specified date into the account of an accountholder of the
26 financial institution who was not entitled to receive the refund,
27 then the financial institution shall furnish to the Franchise Tax
28 Board the name and address of any coowner, cosigner, or any other
29 person who had access to the funds in the account following the
30 date of direct deposit refund, or if the account has been closed, the
31 name and address of the person who closed the account.

32 SEC. 31. Section 14975 of the Government Code is amended
33 to read:

34 14975. Notwithstanding the provisions of Section 9550 of the
35 Civil Code, the contractor under any contract made under this
36 chapter need not provide a payment bond before the
37 commencement of the work but must provide a payment bond as
38 otherwise required by law prior to payment under the contract.

39 SEC. 32. Section 15820.105 of the Government Code is
40 amended to read:

1 15820.105. (a) Plans and specifications for the project shall
2 comply with applicable building codes.

3 (b) The project is hereby deemed to be governed by Title-2 3
4 (commencing with Section 9000) of Part 6 of Division 4 of the
5 Civil Code.

6 (c) The provisions of Chapter 1 (commencing with Section
7 1720) of Part 7 of Division 2 of the Labor Code shall apply to all
8 public works contracts entered into for the project.

9 (d) Other than as provided in this section and Sections
10 15820.101 to 15820.104, inclusive, private sector methods may
11 be used to deliver the project. Specifically, the procurement and
12 contracting for the delivery of the project is not subject to the State
13 Contract Act (Part 2 (commencing with Section 10100) of Division
14 2 of the Public Contract Code) or any other provision of California
15 law governing public procurement or public works projects.

16 SEC. 33. Section 27287 of the Government Code is amended
17 to read:

18 27287. Unless it belongs to the class provided for in either
19 Sections 27282 to 27286, inclusive, or Section 1202 or 1203, of
20 the Civil Code, or is a fictitious mortgage or deed of trust as
21 provided in Section 2952 or 2963 of the Civil Code, or is a
22 fictitious oil and gas lease as provided in Section 1219 of the Civil
23 Code, or is a claim of lien under Section 8416 of the Civil Code
24 or a notice of completion under Section-8152 8182 or 9204 of the
25 Civil Code, before an instrument can be recorded its execution
26 shall be acknowledged by the person executing it, or if executed
27 by a corporation, by its president or secretary or other person
28 executing it on behalf of the corporation, or, except for any
29 quitclaim deed or grant deed other than a trustee's deed or a deed
30 of reconveyance, mortgage, deed of trust, or security agreement,
31 proved by subscribing witness or as provided in Sections 1198 and
32 1199 of the Civil Code, and the acknowledgment or proof certified
33 as prescribed by law.

34 SEC. 34. Section 27361.9 of the Government Code is repealed.

35 SEC. 35. Section 66499.2 of the Government Code is amended
36 to read:

37 66499.2. A bond or bonds by one or more duly authorized
38 corporate sureties for the security of laborers and material suppliers
39 shall be in substantially the following form:

Whereas, The Board of Supervisors of the County of ____ (or City Council of the City of ____), State of California, and ____ (hereinafter designated as “the principal”) have entered into an agreement whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated ____, 20__, and identified as project ____, is hereby referred to and made a part hereof; and

Whereas, Under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of ____ (or the City of ____) to secure the claims to which reference is made in Title-2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

Now, therefore, the principal and the undersigned as corporate surety, are held firmly bound unto the County of ____ (or the City of ____) and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title-2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of ____ dollars (\$____), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney’s fees, incurred by county (or city) in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title-2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the

1 specifications accompanying the same shall in any manner affect
2 its obligations on this bond, and it does hereby waive notice of
3 any such change, extension, alteration, or addition.

4 In witness whereof, this instrument has been duly executed by
5 the principal and surety above named, on _____, 20__.

6 SEC. 36. Section 66499.7 of the Government Code is amended
7 to read:

8 66499.7. The security furnished by the subdivider shall be
9 released in whole or in part in the following manner:

10 (a) Security given for faithful performance of any act or
11 agreement shall be released upon the performance of the act or
12 final completion and acceptance of the required work. The
13 legislative body may provide for the partial release of the security
14 upon the partial performance of the act or the acceptance of the
15 work as it progresses, consistent with the provisions of this section.
16 The security may be a surety bond, a cash deposit, a letter of credit,
17 escrow account, or other form of performance guarantee required
18 as security by the legislative body that meets the requirements as
19 acceptable security pursuant to law. If the security furnished by
20 the subdivider is a documentary evidence of security such as a
21 surety bond or a letter of credit, the legislative body shall release
22 the documentary evidence and return the original to the issuer upon
23 performance of the act or final completion and acceptance of the
24 required work. In the event that the legislative body is unable to
25 return the original documentary evidence to the issuer, the security
26 shall be released by written notice sent by certified mail to the
27 subdivider and issuer of the documentary evidence within 30 days
28 of the acceptance of the work. The written notice shall contain a
29 statement that the work for which the security was furnished has
30 been performed or completed and accepted by the legislative body,
31 a description of the project subject to the documentary evidence
32 and the notarized signature of the authorized representative of the
33 legislative body.

34 (b) At the time that the subdivider believes that the obligation
35 to perform the work for which security was required is complete,
36 the subdivider may notify the local agency in writing of the
37 completed work, including a list of work completed. Upon receipt
38 of the written notice, the local agency shall have 45 days to review
39 and comment or approve the completion of the required work. If
40 the local agency does not agree that all work has been completed

1 in accordance with the plans and specifications for the
2 improvements, it shall supply a list of all remaining work to be
3 completed.

4 (c) Within 45 days of receipt of the list of remaining work from
5 the local agency, the subdivider may then provide cost estimates
6 for all remaining work for review and approval by the local agency.
7 Upon receipt of the cost estimates, the local agency shall then have
8 45 days to review, comment, and approve, modify, or disapprove
9 those cost estimates. No local agency shall be required to engage
10 in this process of partial release more than once between the start
11 of work and completion and acceptance of all work; however,
12 nothing in this section prohibits a local agency from allowing for
13 a partial release as it otherwise deems appropriate.

14 (d) If the local agency approves the cost estimate, the local
15 agency shall release all performance security except for security
16 in an amount up to 200 percent of the cost estimate of the
17 remaining work. The process allowing for a partial release of
18 performance security shall occur when the cost estimate of the
19 remaining work does not exceed 20 percent of the total original
20 performance security unless the local agency allows for a release
21 at an earlier time. Substitute bonds or other security may be used
22 as a replacement for the performance security, subject to the
23 approval of the local agency. If substitute bonds or other security
24 is used as a replacement for the performance security released, the
25 release shall not be effective unless and until the local agency
26 receives and approves that form of replacement security. A
27 reduction in the performance security, authorized under this section,
28 is not, and shall not be deemed to be, an acceptance by the local
29 agency of the completed improvements, and the risk of loss or
30 damage to the improvements and the obligation to maintain the
31 improvements shall remain the sole responsibility of the subdivider
32 until all required public improvements have been accepted by the
33 local agency and all other required improvements have been fully
34 completed in accordance with the plans and specifications for the
35 improvements.

36 (e) The subdivider shall complete the works of improvement
37 until all remaining items are accepted by the local agency.

38 (f) Upon the completion of the improvements, the subdivider,
39 or his or her assigns, shall be notified in writing by the local agency
40 within 45 days.

1 (g) Within 45 days of the issuance of the notification by the
2 local agency, the release of any remaining performance security
3 shall be placed upon the agenda of the legislative body of the local
4 agency for approval of the release of any remaining performance
5 security. If the local agency delegates authority for the release of
6 performance security to a public official or other employee, any
7 remaining performance security shall be released within 60 days
8 of the issuance of the written statement of completion.

9 (h) Security securing the payment to the contractor, his or her
10 subcontractors and to persons furnishing labor, materials or
11 equipment shall, after passage of the time within which claims of
12 lien are required to be recorded pursuant to Article 2 (commencing
13 with Section 8410) of Chapter 4 of *Title 2* of Part 6 of Division 4
14 of the Civil Code and after acceptance of the work, be reduced to
15 an amount equal to the total claimed by all claimants for whom
16 claims of lien have been recorded and notice thereof given in
17 writing to the legislative body, and if no claims have been recorded,
18 the security shall be released in full.

19 (i) The release shall not apply to any required guarantee and
20 warranty period required by Section 66499.9 for the guarantee or
21 warranty nor to the amount of the security deemed necessary by
22 the local agency for the guarantee and warranty period nor to costs
23 and reasonable expenses and fees, including reasonable attorneys'
24 fees.

25 (j) The legislative body may authorize any of its public officers
26 or employees to authorize release or reduction of the security in
27 accordance with the conditions hereinabove set forth and in
28 accordance with any rules that it may prescribe.

29 (k) This section shall remain in effect only until January 1, 2011,
30 and as of that date is repealed, unless a later enacted statute, that
31 is enacted before January 1, 2011, deletes or extends that date.

32 SEC. 37. Section 5463 of the Health and Safety Code is
33 amended to read:

34 5463. Any health officer or governing board of any city, county,
35 sanitary district, or other district having the power to operate and
36 maintain a sewerage system, having served written notice upon
37 the owner or reputed owner of land upon which there is a dwelling
38 house, and the owner or reputed owner, after 30 days, having
39 refused, neglected, or failed to connect the dwelling house, together
40 with all toilets, sinks, and other plumbing therein, properly vented,

1 and in a sanitary manner, with the adjoining street sewer, may
2 construct the same at a reasonable cost, and the person doing that
3 work at the request of the health officer or governing board has a
4 lien upon that real estate for his or her work done and materials
5 furnished, and the work done and materials furnished shall be held
6 to have been done and furnished at the instance of the owner or
7 reputed owner, or person claiming or having any interest therein.
8 The governing board may pay all or any part of the cost or price
9 of such connection to the person or persons who furnished labor,
10 materials, or equipment for the same, and, to the extent the
11 governing board pays the cost or price of the connection, it shall
12 succeed to and have all the rights, including the lien provided for
13 above, of the person or persons against the real estate and against
14 the owner or reputed owner thereof.

15 As an alternative power to the enforcement of the lien provided
16 for in this section, the governing body of the public agency
17 performing the work of connection to the public sewer may, by
18 order entered upon its minutes, declare that the amount of the costs
19 of the work and the administrative expenses incurred by the
20 governing body incident to the proceedings, together with other
21 charges uniformly applicable within the jurisdiction of the
22 governing body for the connection of the premises to the public
23 sewer, shall be transmitted to the assessor and tax collector of the
24 public agency, whereupon it shall be the duty of those officers to
25 add the amount of the assessment to the next regular bill for taxes
26 levied against the lot or parcel of land.

27 The liens provided for by this section shall be enforced in the
28 same manner as those provided for by Part 6 (commencing with
29 Section 8000) of Division 4, of the Civil Code.

30 The governing board may also use the procedures in Section
31 5474 for levying the costs incurred for the construction of the
32 improvements for the connection of the premises to the public
33 sewer.

34 SEC. 38. Section 16017.5 of the Health and Safety Code is
35 amended to read:

36 16017.5. (a) Notwithstanding any provision of law to the
37 contrary, including, but not limited to, Part 6 (commencing with
38 Section 8000) of Division 4 of the Civil Code, the Department of
39 General Services may issue a stop work order when construction
40 work on an essential services facility is not being performed in

accordance with existing law and would compromise the structural integrity of the building, thereby endangering the public safety. The Department of General Services shall allow construction of incidental and minor nonstructural additions or nonstructural alterations without invoking its stop work authority.

(b) A public board, body, or officer whose construction work on an essential services facility is subject to a stop work order issued pursuant to subdivision (a) shall not be held liable in any action filed against the public board, body, or officer for stopping work as required by the stop work order, or for any delays caused by compliance with the stop work order, except to the extent that an error or omission by the public board, body, or officer is the basis for the issuance of the stop work order.

SEC. 39. Section 19825 of the Health and Safety Code is amended to read:

19825. (a) Every city, county, or city and county, whether general law or chartered, that requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition, or repair of any building or structure, shall require the execution of a permit application, in substantially the same form set forth under this subdivision, and require any individual who executes the Owner-Builder Declaration to present documentation sufficient to identify the property owner and, as necessary, verify the signature of the property owner. A city, county, or city and county may require additional information on the permit application.

PERMIT APPLICATION

BUILDING PROJECT IDENTIFICATION

Applicant's Mailing Address	_____

Property Location or Address	_____

Property Owner's Name	_____
Property Owner's Telephone No.	_____
Licensed Design Professional (Architect or	
Engineer) in charge of the project	_____
Mailing Address of Licensed Design	_____
Professional	

License No. _____

LICENSED CONTRACTOR'S DECLARATION

I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

License Class _____ License No. _____

Date _____ Contractor Signature _____

OWNER-BUILDER DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors' State License Law for the reason(s) indicated below by the checkmark(s) I have placed next to the applicable item(s) (Section 7031.5, Business and Professions Code: Any city or county that requires a permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for the permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt from licensure and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500).):

☐ I, as owner of the property, or my employees with wages as their sole compensation, will do ☐ all of or ☐ portions of the work, and the structure is not intended or offered for sale (Section 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who, through employees' or personal effort, builds or improves the property, provided that the improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the Owner-Builder will have the burden of proving that it was not built or improved for the purpose of sale.).

☐ I, as owner of the property, am exclusively contracting with licensed Contractors to construct the project (Section 7044, Business and Professions Code: The Contractors' State License Law does not apply to an owner of property who builds or improves thereon, and who contracts for the projects with a licensed Contractor pursuant to the Contractors' State License Law.).

() I am exempt from licensure under the Contractors' State License Law for the following reason:

By my signature below I acknowledge that, except for my personal residence in which I must have resided for at least one year prior to completion of the improvements covered by this permit, I cannot legally sell a structure that I have built as an owner-builder if it has not been constructed in its entirety by licensed contractors. I understand that a copy of the applicable law, Section 7044 of the Business and Professions Code, is available upon request when this application is submitted or at the following Web site:

<http://www.leginfo.ca.gov/calaw.html>.

Date _____

Signature of Property Owner or Authorized Agent

WORKERS' COMPENSATION DECLARATION

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

I hereby affirm under penalty of perjury one of the following declarations:

____ I have and will maintain a certificate of consent to self-insure for workers' compensation, issued by the Director of Industrial Relations as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

Policy No. _____

____ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier _____ Policy Number _____ Expiration Date _____

Name of Agent _____ Phone # _____

1 ____ I certify that, in the performance of the work for which this permit is
2 issued, I shall not employ any person in any manner so as to become subject
3 to the workers' compensation laws of California, and agree that, if I should
4 become subject to the workers' compensation provisions of Section 3700 of
5 the Labor Code, I shall forthwith comply with those provisions.

6 _____
7 Signature of Applicant

_____ Date

8
9 DECLARATION REGARDING CONSTRUCTION LENDING AGENCY

10
11 I hereby affirm under penalty of perjury that there is a construction lending
12 agency for the performance of the work for which this permit is issued (Section
13 8132 8172, Civil Code).

14 Lender's Name _____

15
16 Branch Designation _____

17
18 Lender's Address _____

19
20 By my signature below, I certify to each of the following:

21 I am the property owner or authorized to act on the property owner's behalf.

22 I have read this application and the information I have provided is correct.

23 I agree to comply with all applicable city and county ordinances and state laws
24 relating to building construction.

25 I authorize representatives of this city or county to enter the above-identified
26 property for inspection purposes.

27 Signature of Property Owner or Authorized Agent _____

28 Date _____

29
30 (b) When the Permit Application and the Owner-Builder
31 Declaration have been executed by a person other than the property
32 owner, prior to issuing the permit, the following shall be completed
33 by the property owner and returned to the agency responsible for
34 issuing the permit:

35
36 AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S
37 BEHALF
38

1 Excluding the Notice to Property Owner, the execution of which I understand
2 is my personal responsibility, I hereby authorize the following person(s) to act
3 as my agent(s) to apply for, sign, and file the documents necessary to obtain
4 an Owner-Builder Permit for my project.

5
6 Scope of Construction Project (or Description of Work):

7 _____
8 Project Location or Address: _____

9 Name of Authorized

10 Agent: _____

11
12 Address of Authorized

13 Agent: _____

14
15 Phone Number of Authorized

16 Agent: _____

17
18 I declare under penalty of perjury that I am the property owner for the address
19 listed above and I personally filled out the above information and certify its
20 accuracy.

21 Property Owner's Signature: _____ Date: _____

22
23 Note: A copy of the owner's driver's license, form notarization, or other
24 verification acceptable to the agency is required to be presented when the
25 permit is issued to verify the property owner's signature.

26
27 (c) When the Owner-Builder Declaration required under
28 subdivision (a) is executed, a Notice to Property Owner also shall
29 be executed by the property owner in substantially the same form
30 set forth under this section. The Notice to Property Owner shall
31 appear on the official letterhead of the issuer and shall be provided
32 to the applicant by one of the following methods chosen by the
33 permitting authority: regular mail, electronic format, or given
34 directly to the applicant at the time the application for the permit
35 is made. Except as otherwise provided, the Notice to Property
36 Owner pursuant to this section shall be completed and signed by
37 the property owner and returned prior to issuance of the permit.
38 An agent of the owner shall not execute this notice unless the
39 property owner obtains the prior approval of the permitting

1 authority. A permit shall not be issued unless the property owner
2 complies with this section.

3
4 NOTICE TO PROPERTY OWNER

5 Dear Property Owner:

6 An application for a building permit has been submitted in your name listing
7 yourself as the builder of the property improvements specified at
8 _____.

9 We are providing you with an Owner-Builder Acknowledgment and
10 Information Verification Form to make you aware of your responsibilities and
11 possible risk you may incur by having this permit issued in your name as the
12 Owner-Builder.

13 We will not issue a building permit until you have read, initialed your
14 understanding of each provision, signed, and returned this form to us at our
15 official address indicated. An agent of the owner cannot execute this notice
16 unless you, the property owner, obtain the prior approval of the permitting
17 authority.

18
19 OWNER'S ACKNOWLEDGMENT AND VERIFICATION OF
20 INFORMATION

21
22 DIRECTIONS: Read and initial each statement below to signify you understand
23 or verify this information.

24
25 ____1. I understand a frequent practice of unlicensed persons is to have the
26 property owner obtain an "Owner-Builder" building permit that erroneously
27 implies that the property owner is providing his or her own labor and material
28 personally. I, as an Owner-Builder, may be held liable and subject to serious
29 financial risk for any injuries sustained by an unlicensed person and his or her
30 employees while working on my property. My homeowner's insurance may
31 not provide coverage for those injuries. I am willfully acting as an
32 Owner-Builder and am aware of the limits of my insurance coverage for injuries
33 to workers on my property.

34
35 ____2. I understand building permits are not required to be signed by property
36 owners unless they are *responsible* for the construction and are not hiring a
37 licensed Contractor to assume this responsibility.

38
39 ____3. I understand as an "Owner-Builder" I am the responsible party of record
40 on the permit. I understand that I may protect myself from potential financial

1 risk by hiring a licensed Contractor and having the permit filed in his or her
2 name instead of my own.

3
4 ____4. I understand Contractors are required by law to be licensed and bonded
5 in California and to list their license numbers on permits and contracts.

6
7 ____5. I understand if I employ or otherwise engage any persons, other than
8 California licensed Contractors, and the total value of my construction is at
9 least five hundred dollars (\$500), including labor and materials, I may be
10 considered an “employer” under state and federal law.

11
12 ____6. I understand if I am considered an “employer” under state and federal
13 law, I must register with the state and federal government, withhold payroll
14 taxes, provide workers’ compensation disability insurance, and contribute to
15 unemployment compensation for each “employee.” I also understand my failure
16 to abide by these laws may subject me to serious financial risk.

17
18 ____7. I understand under California Contractors’ State License Law, an
19 Owner-Builder who builds single-family residential structures cannot legally
20 build them with the intent to offer them for sale, unless *all* work is performed
21 by licensed subcontractors and the number of structures does not exceed four
22 within any calendar year, or all of the work is performed under contract with
23 a licensed general building Contractor.

24
25 ____8. I understand as an Owner-Builder if I sell the property for which this
26 permit is issued, I may be held liable for any financial or personal injuries
27 sustained by any subsequent owner(s) that result from any latent construction
28 defects in the workmanship or materials.

29
30 ____9. I understand I may obtain more information regarding my obligations
31 as an “employer” from the Internal Revenue Service, the United States Small
32 Business Administration, the California Department of Benefit Payments, and
33 the California Division of Industrial Accidents. I also understand I may contact
34 the California Contractors’ State License Board (CSLB) at 1-800-321-CSLB
35 (2752) or www.cslb.ca.gov for more information about licensed contractors.

36
37 ____10. I am aware of and consent to an Owner-Builder building permit applied
38 for in my name, and understand that I am the party legally and financially
39 responsible for proposed construction activity at the following address:
40 _____

1
2 ____ 11. I agree that, as the party legally and financially responsible for this
3 proposed construction activity, I will abide by all applicable laws and
4 requirements that govern Owner-Builders as well as employers.

5
6 ____ 12. I agree to notify the issuer of this form immediately of any additions,
7 deletions, or changes to any of the information I have provided on this form.

8
9 Licensed contractors are regulated by laws designed to protect the public. If
10 you contract with someone who does not have a license, the Contractors' State
11 License Board may be unable to assist you with any financial loss you may
12 sustain as a result of a complaint. Your only remedy against unlicensed
13 Contractors may be in civil court. It is also important for you to understand
14 that if an unlicensed Contractor or employee of that individual or firm is injured
15 while working on your property, you may be held liable for damages. If you
16 obtain a permit as Owner-Builder and wish to hire Contractors, you will be
17 responsible for verifying whether or not those Contractors are properly licensed
18 and the status of their workers' compensation insurance coverage.

19
20 Before a building permit can be issued, this form must be completed and signed
21 by the property owner and returned to the agency responsible for issuing the
22 permit.

23 Note: A copy of the property owner's driver's license, form notarization, or
24 other verification acceptable to the agency is required to be presented when
25 the permit is issued to verify the property owner's signature.

26
27 Signature of Property Owner _____ Date: _____
28

29 SEC. 40. Section 34218 of the Health and Safety Code is
30 amended to read:

31 34218. Chapter 5 (commencing with Section 9550) of Title—2
32 3 of Part 6 of Division 4 of the Civil Code applies to any housing
33 project constructed under this chapter. Notwithstanding the
34 provisions of this section, a housing authority may require a 20
35 percent cash escrow or a 25 percent irrevocable letter of credit or
36 the payment bond required by this section if the contract is for
37 work undertaken pursuant to the Comprehensive Improvement
38 Assistance Program established by Section 14 of the United States
39 Housing Act of 1937, as amended (42 U.S.C.A. Secs. 1437d and
40 1437l), or the Public Housing Modernization Act established by

1 Section 5(c)(3)(C) of the United States Housing Act of 1937, as
2 amended (42 U.S.C.A. Secs. 1437d and 1437l).

3 SEC. 41. Section 11751.82 of the Insurance Code is amended
4 to read:

5 11751.82. (a) An insurer under a wrap-up insurance policy
6 shall report workers' compensation losses and payroll information
7 for each contractor and subcontractor to its rating organization on
8 a timely basis and in accordance with the uniform statistical plan.
9 Within 10 days, upon request, the insurer shall provide to each
10 contractor and subcontractor copies of the report covering workers'
11 compensation losses and payroll information for that contractor
12 or subcontractor.

13 (b) For the purposes of this section, a "wrap-up insurance
14 policy" is an insurance policy, or series of policies, written to cover
15 risks associated with a work of improvement, as defined in Section
16 8050 of the Civil Code, and covering two or more of the contractors
17 or subcontractors that work on that work of improvement.

18 SEC. 42. Section 218.5 of the Labor Code is amended to read:

19 218.5. In any action brought for the nonpayment of wages,
20 fringe benefits, or health and welfare or pension fund contributions,
21 the court shall award reasonable attorney's fees and costs to the
22 prevailing party if any party to the action requests attorney's fees
23 and costs upon the initiation of the action. This section shall not
24 apply to an action brought by the Labor Commissioner. This
25 section shall not apply to a surety issuing a bond pursuant to
26 Chapter 9 (commencing with Section 7000) of Division 3 of the
27 Business and Professions Code or to an action to enforce a
28 mechanics lien brought under Chapter 4 (commencing with Section
29 8400) of *Title 2* of Part 6 of Division 2 of the Civil Code.

30 This section does not apply to any action for which attorney's
31 fees are recoverable under Section 1194.

32 SEC. 43. Section 4107.7 of the Public Contract Code is
33 amended to read:

34 4107.7. If a contractor who enters into a contract with a public
35 entity for investigation, removal or remedial action, or disposal
36 relative to the release or presence of a hazardous material or
37 hazardous waste fails to pay a subcontractor registered as a
38 hazardous waste hauler pursuant to Section 25163 of the Health
39 and Safety Code within 10 days after the investigation, removal
40 or remedial action, or disposal is completed, the subcontractor may

1 serve a stop notice upon the public entity in accordance with
2 Chapter 4 (commencing with Section 9350) of Title 2 3 of Part 6
3 of Division 4 of the Civil Code.

4 SEC. 44. Section 7103 of the Public Contract Code is amended
5 to read:

6 7103. (a) (1) Every original contractor that is awarded a
7 contract by a state entity, as defined in subdivision (d), involving
8 an expenditure in excess of twenty-five thousand dollars (\$25,000)
9 for any public work shall, before entering upon the performance
10 of the work, file a payment bond with and approved by the officer
11 or state entity that awarded the contract. The bond shall be in a
12 sum not less than 100 percent of the total amount payable by the
13 terms of the contract.

14 (2) The state entity shall state in its call for bids for any contract
15 that a payment bond is required in the case of such an expenditure.

16 (b) A payment bond filed and approved in accordance with this
17 section shall be sufficient to enter upon the performance of work
18 under a duly authorized contract that supplements the contract for
19 which the payment bond was filed if the requirement of a new
20 bond is waived by the state entity.

21 (c) For purposes of this section, providers of architectural,
22 engineering, and land surveying services pursuant to a contract
23 with a state entity for a public work shall not be deemed an original
24 contractor and shall not be required to post or file the payment
25 bond required in subdivisions (a) and (b).

26 (d) For purposes of this section, “state entity” means every state
27 office department, division, bureau, board, or commission, but
28 does not include the Legislature, the courts, any agency in the
29 judicial branch of government, or the University of California. All
30 other public entities shall be governed by Section 9550 of the Civil
31 Code.

32 (e) For purposes of this section, “public work” includes the
33 erection, construction, alteration, repair, or improvement of any
34 state structure, building, road, or other state improvement of any
35 kind.

36 SEC. 45. Section 10222 of the Public Contract Code is amended
37 to read:

38 10222. (a) Each bond shall equal at least one-half of the
39 contract price, except as otherwise provided in Section 9554 of
40 the Civil Code, in the California Toll Bridge Authority Act

1 (Chapter 1 (commencing with Section 30000) of Division 7 of the
2 Streets and Highways Code), or in subdivision (b).

3 (b) Notwithstanding subdivision (a), for projects with a contract
4 price greater than two hundred fifty million dollars (\$250,000,000),
5 the Department of Transportation shall have the discretion to
6 specify that the payment bond shall equal not less than one-half
7 of the contract price or five hundred million dollars (\$500,000,000),
8 whichever is less.

9 SEC. 46. Section 10822 of the Public Contract Code is amended
10 to read:

11 10822. Each bond shall be in a sum equal to at least one-half
12 of the contract price, except as otherwise provided in Section 9554
13 of the Civil Code.

14 SEC. 47. Section 20104 of the Public Contract Code is amended
15 to read:

16 20104. (a) (1) This article applies to all public works claims
17 of three hundred seventy-five thousand dollars (\$375,000) or less
18 which arise between a contractor and a local agency.

19 (2) This article shall not apply to any claims resulting from a
20 contract between a contractor and a public agency when the public
21 agency has elected to resolve any disputes pursuant to Article 7.1
22 (commencing with Section 10240) of Chapter 1 of Part 2.

23 (b) (1) "Public work" means "public works contract" as defined
24 in Section 1101 but does not include any work or improvement
25 contracted for by the state or the Regents of the University of
26 California.

27 (2) "Claim" means a separate demand by the contractor for (A)
28 a time extension, (B) payment of money or damages arising from
29 work done by, or on behalf of, the contractor pursuant to the
30 contract for a public work and payment of which is not otherwise
31 expressly provided for or the claimant is not otherwise entitled to,
32 or (C) an amount the payment of which is disputed by the local
33 agency.

34 (c) The provisions of this article or a summary thereof shall be
35 set forth in the plans or specifications for any work which may
36 give rise to a claim under this article.

37 (d) This article applies only to contracts entered into on or after
38 January 1, 1991.

39 SEC. 48. Section 20134 of the Public Contract Code is amended
40 to read:

1 20134. (a) In cases of emergency, when repair or replacements
2 are necessary to permit the continued conduct of county operations
3 or services, the board of supervisors, by majority consent, may
4 proceed at once to replace or repair any and all structures without
5 adopting the plans, specifications, strain sheets, or working details
6 or, subject to Chapter 2.5 (commencing with Section 22050), giving
7 notice for bids to let contracts. If notice for bids to let contracts
8 will not be given, the board shall comply with Chapter 2.5
9 (commencing with Section 22050). The work may be done by day
10 labor under the direction of the board, by contract, or by a
11 combination of the two. If the work is done wholly or in part by
12 contract, the contractor shall be paid the actual cost of the use of
13 machinery and tools and of material, and labor and of workers'
14 compensation insurance expended by him or her in doing the work,
15 plus not more than 15 percent to cover all profits and
16 administration. No more than the lowest current market prices
17 shall be paid for materials whenever possible.

18 (b) In a county of the first, second, third, or fourth class, which
19 is under court order to relieve jail overcrowding or in which the
20 sheriff certifies that the inmate capacity of the county jail system
21 is exceeded by more than 20 percent and that the overpopulation
22 is likely to continue and poses a threat to public safety, health, and
23 welfare, the board of supervisors may contract for the construction
24 or expansion of jail facilities without the formality of obtaining
25 bids, adopting plans and specifications, or complying with other
26 requirements of this article, except as required by this subdivision.
27 The person to whom the contract is awarded shall execute a bond
28 for faithful performance in accordance with Section 20129. Any
29 plans and specifications adopted by the board may only be altered
30 or changed in accordance with Section 20135 and all contracts
31 awarded pursuant to this subdivision may only be altered or
32 changed in accordance with Sections 20136, 20137, and 20138.
33 The award of the contract shall be made after a public hearing on
34 the basis of a request for proposals advertised in accordance with
35 Section 6062 or 6062a of the Government Code. The contract may
36 be awarded only to a contractor who has responded to the request
37 for proposals and who is licensed to do the work in accordance
38 with Chapter 9 (commencing with Section 7000) of Division 3 of
39 the Business and Professions Code. The contract shall be upon
40 terms which the board determines are necessary for the expeditious

1 completion of the work. A contract shall not be entered into unless
2 at least three proposals to do the work have been evaluated by a
3 competitive process established by the board. If the board does
4 not select the lowest bid, it shall make a finding stating the reasons
5 that the lowest bid was not selected.

6 (c) In any county that has agreed to permit the transfer of
7 prisoners or parole violators under Section 2910 or 2910.5 of the
8 Penal Code or of wards under Section 1753.3 of the Welfare and
9 Institutions Code, the board of supervisors may contract for the
10 construction or expansion of the facilities to be used for that
11 purpose without the formality of obtaining bids, adopting plans
12 and specifications, or complying with other requirements of this
13 article, except as required by this subdivision. The person to whom
14 the contract is awarded shall execute a bond for faithful
15 performance in accordance with Section 20129. Any plans and
16 specifications adopted by the board may only be altered or changed
17 in accordance with Section 20135 and all contracts awarded
18 pursuant to this subdivision may only be altered or changed in
19 accordance with Sections 20136, 20137, and 20138. The award
20 of the contract shall be made after a public hearing on the basis of
21 a request for proposals advertised in accordance with Section 6062
22 or 6062a of the Government Code. The contract may be awarded
23 only to a contractor who has responded to the request for proposals
24 and who is licensed to do the work in accordance with Chapter 9
25 (commencing with Section 7000) of Division 3 of the Business
26 and Professions Code. The contract shall be upon terms which the
27 board determines are necessary for the expeditious completion of
28 the work. A contract shall not be entered into unless at least three
29 proposals to do the work have been evaluated by a competitive
30 process established by the board and the lowest bid is selected.

31 (d) Proposed construction or expansion of jail or
32 return-to-custody facilities as authorized under subdivision (b) or
33 (c) shall not commence in a county of the third class without the
34 affirmative vote of a majority of the city council of the incorporated
35 city within which the construction or expansion is proposed.

36 (e) The board of supervisors may waive the requirements of
37 Title 2 3 (commencing with Section 9000) of Part 6 of Division 4
38 of the Civil Code for work performed pursuant to subdivision (b)
39 or (c).

(f) If any county that is under court order to relieve overcrowding in a county juvenile facility, as defined by subdivision (c) of Section 4481 of the Penal Code or in which the chief probation officer certifies that the juvenile detention capacity of the county juvenile facilities is exceeded by more than 20 percent and that the overpopulation is likely to continue and poses a threat to public safety, health, and welfare, the board of supervisors may contract for the construction or expansion of county juvenile facilities without the formality of obtaining bids, adopting plans and specifications, or complying with other requirements of this article, except as required by this subdivision. The person to whom the contract is awarded shall execute a bond for faithful performance in accordance with Section 20129. Any plans and specifications adopted by the board may only be altered or changed in accordance with Section 20135 and all contracts awarded pursuant to this subdivision may only be altered or changed in accordance with Sections 20136, 20137, and 20138. The award of the contract shall be made after a public hearing on the basis of a request for proposals advertised in accordance with Section 6062 or 6062a of the Government Code. The contract may be awarded only to a contractor who has responded to the request for proposals and who is licensed to do the work in accordance with Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code. The contract shall be upon terms which the board determines are necessary for the expeditious completion of the work. A contract shall not be entered into unless at least three proposals to do the work have been evaluated by a competitive process established by the board. If the board does not select the lowest bidder, it shall make a finding stating the reasons that the lowest bidder was not selected.

(g) In a county of the third class in which there are no available courtrooms to accommodate all authorized judicial positions or in which the board of supervisors certifies that there is a significant need to expeditiously construct new court and court support facilities, the board of supervisors may contract for the construction or expansion of court and court support facilities without the formality of obtaining bids, adopting plans and specifications, or complying with other requirements of this article, except as required by this subdivision. The person to whom the contract is awarded shall execute a bond for faithful performance in

accordance with Section 20129. Any plans and specifications adopted by the board may only be altered or changed in accordance with Section 20135 and all contracts awarded pursuant to this subdivision may only be altered or changed in accordance with Sections 20136, 20137, and 20138. The award of the contract shall be made after a public hearing on the basis of a request for proposals advertised in accordance with Section 6062 or 6062a of the Government Code. The contract may be awarded only to a contractor who has responded to the request for proposals and who is licensed to do the work in accordance with Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code. The contract shall be upon terms which the board determines are necessary for the expeditious completion of the work. A contract shall not be entered into unless at least three proposals to do the work have been evaluated by a competitive process established by the board and the lowest bid is selected. This subdivision shall remain in effect until December 31, 1994.

SEC. 49. Section 20461 of the Public Contract Code is amended to read:

20461. No assignment by the contractor of the whole or any part of the money, assessment, partial assessment, any reassessment and any bonds which may be issued to represent any assessment or reassessment, due or to be due under the contract, or for “extras” in connection therewith, whether made before or after a verified claim is filed pursuant to this chapter, shall take priority over the claims, and the assignment shall have no binding force insofar as the rights of the claimants, or their assigns, are concerned. None of the provisions of Title 2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code shall be applicable to any assessment, partial assessment, reassessment, bonds, moneys or funds payable to the contractor or assignee under this division or to any matter contained in this chapter.

SEC. 50. Section 20496 of the Public Contract Code is amended to read:

20496. The provisions of ~~Part 6 Title 3~~ (commencing with ~~Section 41010~~ ~~of Division 2~~ 9000) *of Part 6 of Division 4 of the Civil Code* are hereby expressly made applicable to the construction of works and improvements under this article.

SEC. 51. Section 20682.5 of the Public Contract Code is amended to read:

1 20682.5. (a) A district may construct or complete any building,
2 structure, or improvement with its own forces or by contract
3 without bidding when the cost does not exceed twenty-five
4 thousand dollars (\$25,000).

5 (b) All contracts for the construction or completion of any
6 building, structure, or improvement, when the cost exceeds
7 twenty-five thousand dollars (\$25,000), shall be contracted for and
8 let to the lowest responsible bidder after notice. If two or more
9 bids are the same and the lowest, the district board may accept the
10 one it chooses.

11 (c) The district shall publish a notice inviting bids for any
12 contract for which competitive bidding is required at least one time
13 in a newspaper of general circulation in the district at least 10 days
14 before the time specified for receiving bids. The notice inviting
15 bids shall set a date for opening the bids and distinctly state the
16 work to be done.

17 (d) If the general manager recommends and the board of
18 directors determines that the publication of advertisements of the
19 notice in trade journals and papers in lieu of publication pursuant
20 to subdivision (c) will increase the number of business enterprises
21 receiving that notice, the board of directors may by resolution
22 declare that those notices shall be published in trade journals and
23 papers at least 10 days prior to the time specified for receiving
24 bids.

25 (e) If plans and specifications are prepared describing the work,
26 all bidders shall be afforded an opportunity to examine the plans
27 and specifications, and the plans and specifications shall be
28 attached to and become part of the contract, if one is awarded.

29 (f) At its discretion, the board of directors may reject any bids
30 presented and readvertise.

31 (g) In the case of an emergency, the board of directors may act
32 pursuant to Chapter 2.5 (commencing with Section 22050).

33 (h) The board of directors may, subject to Chapter 5
34 (commencing with Section 9550) of Title 2 3 of Part 6 of Division
35 4 of the Civil Code, require the posting of those bonds it deems
36 desirable as a condition to the filing of a bid or the letting of a
37 contract.

38 (i) The district shall keep cost records of the work in the manner
39 provided in Chapter 1 (commencing with Section 4000) of Division
40 5 of Title 1 of the Government Code.

1 (j) As an alternate to the procedures required by this section, a
2 district may rely on the Uniform Public Construction Cost
3 Accounting Act, Chapter 2 (commencing with Section 22000) of
4 Part 3 of Division 2.

5 SEC. 52. Section 20688.4 of the Public Contract Code is
6 amended to read:

7 20688.4. An agency shall require each successful bidder to file
8 with it good and sufficient bonds, to be approved by it. The bonds
9 shall be conditioned upon the faithful performance of the contract
10 and upon the payment of all claims for labor and material in
11 connection with the contract. The bonds shall contain the terms
12 and conditions set forth in Chapter 5 (commencing with Section
13 9550) of Title-2 3 of Part 6 of Division 4 of the Civil Code and are
14 subject to the provisions of that chapter.

15 SEC. 53. Section 20813 of the Public Contract Code is amended
16 to read:

17 20813. (a) All contracts for the construction or completion of
18 any building, structure, or improvement, when the expenditure
19 required for the work exceeds ten thousand dollars (\$10,000), shall
20 be contracted for and let to the lowest responsible bidder after
21 notice. If two or more bids are the same and the lowest, the district
22 board may accept the one it chooses.

23 (b) The notice inviting bids shall set a date for the opening of
24 bids. The first publication or posting of the notice shall be at least
25 10 days before the date of opening the bids. Notice shall be
26 published at least twice, not less than five days apart, in a
27 newspaper of general circulation in the district, or if there is none,
28 it shall be posted in at least three public places in the district. The
29 notice shall distinctly state the work to be done.

30 (c) In its discretion, the district board may reject any bids
31 presented and readvertise.

32 (d) In the case of an emergency, the district board may act
33 pursuant to Chapter 2.5 (commencing with Section 22050).

34 (e) The district board may, subject to the provisions of Chapter
35 5 (commencing with Section 9550) of Title-2 3 of Part 6 of
36 Division 4 of the Civil Code, require the posting of those bonds it
37 deems desirable as a condition to the filing of a bid or the letting
38 of a contract.

1 (f) Cost records of the work shall be kept in the manner provided
2 in Chapter 1 (commencing with Section 4000) of Division 5 of
3 Title 1 of the Government Code.

4 SEC. 54. Section 20815.3 of the Public Contract Code is
5 amended to read:

6 20815.3. (a) A district shall publish notice inviting bids for
7 any contract for which competitive bidding is required at least one
8 time in a newspaper of general circulation in the district at least
9 one week before the time specified for receiving bids. The notice
10 shall distinctly state the work to be done.

11 (b) In its discretion, the board of directors may do any of the
12 following:

13 (1) Reject all bids and readvertise.

14 (2) By a four-fifths vote, elect to purchase the materials or
15 supplies in the open market.

16 (3) By a four-fifths vote, elect to construct the building,
17 structure, or improvement by force account.

18 (c) In the case of an emergency, the board of directors may act
19 pursuant to Chapter 2.5 (commencing with Section 22050).

20 (d) The board of directors may, subject to the provisions of
21 Chapter 5 (commencing with Section 9550) of Title-2 3 of Part 6
22 of Division 4 of the Civil Code, require the posting of those bonds
23 it deems as a condition to the filing of a bid or the letting of a
24 contract.

25 (e) The district shall keep cost records of the work pursuant to
26 Chapter 1 (commencing with Section 4000) of Division 5 of Title
27 1 of the Government Code.

28 SEC. 55. Section 20991 of the Public Contract Code is amended
29 to read:

30 20991. All contracts for any improvement or unit of work,
31 except as provided in this article, estimated to cost in excess of
32 twenty-five thousand dollars (\$25,000), shall be let to the lowest
33 responsible bidder in the manner provided in this article. The board
34 of supervisors of the district shall advertise by five or more
35 insertions in a daily newspaper of general circulation, or by two
36 or more insertions in a weekly newspaper of general circulation,
37 printed and published in the district, inviting sealed proposals for
38 the construction of the improvement or work. The board shall
39 require the successful bidder or bidders to file with the board good
40 and sufficient bonds, to be approved by the board, conditioned

upon the faithful performance of the contract and upon the payment of all claims for labor and material. The bonds shall contain the terms and conditions set forth in Chapter 5 (commencing with Section 9550) of Title-2 3 of Part 6 of Division 4 of the Civil Code and shall be subject to the provisions of that chapter. The board shall have the right to reject any bid not suitable to the best interests of the district. In the event all proposals are rejected or no proposals are received pursuant to advertisement, or the estimated cost of the work does not exceed ten thousand dollars (\$10,000), or the work consists of channel protection, dam protection, temporary work, maintenance work, or emergency work, the board of supervisors may, without advertising for bids, have the work done by force account. Emergency work may also be done by negotiated contract without advertising for bids. In case of an emergency, if notice for bids to let contracts will not be given, the board shall comply with Chapter 2.5 (commencing with Section 22050).

SEC. 56. Section 21061 of the Public Contract Code is amended to read:

21061. (a) All contracts for any improvement or unit of work, except as provided in this article, estimated to cost in excess of twenty-five thousand dollars (\$25,000), shall be let to the lowest responsible bidder in the manner provided in this article.

(b) The board of supervisors of the district shall advertise by five or more insertions in a daily newspaper of general circulation, or by two or more insertions in a weekly newspaper of general circulation, printed and published in the district, inviting sealed proposals for the construction of the improvement or work. The board shall require the successful bidder or bidders to file with the board good and sufficient bonds, to be approved by the board, conditioned upon the faithful performance of the contract and upon the payment of all claims for labor and material, the bonds to contain the terms and conditions set forth in Chapter 5 (commencing with Section 9550) of Title-2 3 of Part 6 of Division 4 of the Civil Code and to be subject to that chapter.

(c) The board may also reject any bid not suitable to the best interests of the district. If all proposals are rejected or no proposals are received pursuant to advertisement therefor, or the work consists of channel protection, dam protection, temporary work, maintenance work, or of emergency work, the board of supervisors may, without advertising for bids, have the work done by force

1 account. Emergency work may also be done by negotiated contract
2 without advertising for bids or requiring bonds. In case of an
3 emergency, if notice for bids to let contracts will not be given, the
4 board shall comply with Chapter 2.5 (commencing with Section
5 22050).

6 (d) The board of supervisors, acting as the board of the district,
7 may, by ordinance, resolution, or board order, authorize the flood
8 control engineer or other county officer to order changes or
9 additions in work being performed under a construction contract.
10 When so authorized, any change or addition in the work shall be
11 ordered in writing by the flood control engineer, or other designated
12 officer, and the extra cost for any change or addition to the work
13 so ordered shall not exceed five thousand dollars (\$5,000) when
14 the total amount of the original contract does not exceed fifty
15 thousand dollars (\$50,000), nor 10 percent of the amount of any
16 original contract that exceeds fifty thousand dollars (\$50,000), but
17 does not exceed two hundred fifty thousand dollars (\$250,000).
18 For contracts whose original cost exceeds two hundred fifty
19 thousand dollars (\$250,000), the extra cost for any change or
20 addition to the work so ordered shall not exceed twenty-five
21 thousand dollars (\$25,000), plus 5 percent of the amount of the
22 original contract costs in excess of two hundred fifty thousand
23 dollars (\$250,000). In no event shall any such change or alteration
24 exceed one hundred fifty thousand dollars (\$150,000).

25 SEC. 57. Section 21071 of the Public Contract Code is amended
26 to read:

27 21071. (a) All contracts for any improvement or unit of work
28 except as provided in this article estimated to cost in excess of ten
29 thousand dollars (\$10,000) shall be let to the lowest responsible
30 bidder in the manner provided in this article. The board of
31 supervisors of the district shall advertise by three insertions in a
32 daily newspaper of general circulation or two insertions in a weekly
33 newspaper of general circulation printed and published in the
34 district inviting sealed proposals for the construction of, the
35 improvement or work before any contract shall be made for the
36 improvement or work, and may let by contract separately any part
37 of the work or improvement. The board shall require the successful
38 bidder to file with the board good and sufficient bonds to be
39 approved by the board conditioned upon the faithful performance
40 of the contract and upon the payment of their claims for labor and

1 material in connection with the contract. The bonds shall contain
2 the terms and conditions set forth in Chapter 5 (commencing with
3 Section 9550) of Title 23 of Part 6 of Division 4 of the Civil Code
4 and be subject to the provisions of that chapter. The board shall
5 also have the right to reject any and all bids. If all proposals are
6 rejected or no proposals are received pursuant to the advertisement,
7 the estimated cost of the work does not exceed the sum of ten
8 thousand dollars (\$10,000), or the work consists of channel
9 protection, maintenance work, or emergency work when necessary
10 in order to protect life and property from impending flood damage,
11 the board of supervisors may, without advertising for bids, have
12 the work done by force account or negotiated contract.

13 (b) The district shall have the power to purchase in the open
14 market without advertising for bids, materials, supplies, equipment,
15 and other personal property for use in any work either under
16 contract or by force account if the costs do not exceed ten thousand
17 dollars (\$10,000). It shall be the duty of the purchasing agent of
18 Ventura County, as the ex officio purchasing agent of the Ventura
19 County Watershed Protection District, unless otherwise ordered
20 by the board of supervisors, to purchase for the district all
21 materials, supplies, equipment, and other personal property
22 necessary to carry out the purposes of this article, and to engage
23 independent contractors to perform sundry services for the district,
24 if the aggregate cost of such work, exclusive of materials to be
25 furnished by the district, does not exceed ten thousand dollars
26 (\$10,000).

27 (c) The purchasing agent shall make all purchases and contracts
28 upon proper requisition, signed by the engineer-manager of the
29 district, or his or her authorized representative.

30 (d) If the work consists of the maintenance or alteration of
31 existing facilities, including electrical, painting, and roofing if the
32 cost of labor and materials for the work according to the engineer's
33 estimate will exceed five thousand dollars (\$5,000), and if the
34 work is not of the type of work referred to in this section, the
35 maintenance and alteration work shall be performed under a
36 contract or contracts that shall be let to the lowest responsible
37 bidder or bidders in the manner described in this section.

38 SEC. 58. Section 21081 of the Public Contract Code is amended
39 to read:

21081. All contracts for any improvement or unit of work, when the cost, according to the estimate of the engineer, will exceed five thousand dollars (\$5,000), shall be let to the lowest responsible bidder or bidders in the manner provided in this article. The board shall first determine whether the contract shall be let as a single unit for the whole of the work, or shall be divided into severable parts, or both, according to the best interests of the district. The board shall call for bids and advertise the call by three insertions in a daily newspaper of general circulation or by two insertions in a weekly newspaper of general circulation printed and published in the district inviting sealed proposals for the construction or performance of the improvement or work before any contract is made. The call for bids shall state whether the work is to be performed as a unit or divided into severable specific parts, or both, as stated in the call. The board may let the work by single contract for the whole or it may divide such work into severable parts by separate contracts, as stated in such call, according to the best interests of the district. The board shall require the successful bidder or bidders to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material, the bonds to contain the terms and conditions set forth in Title 2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code and to be subject to the provisions of that title. The board shall also have the right to reject any bid. In the event all proposals are rejected or no proposals are received pursuant to advertisement, or the estimated cost of such work does not exceed five thousand dollars (\$5,000), or the work consists of channel protection, maintenance work, or emergency work, the board of supervisors may, without advertising for bids, have the work done by force account. The district may purchase in the open market, without advertising for bids, materials and supplies for use in any work either under contract or by force account.

SEC. 59. Section 21091 of the Public Contract Code is amended to read:

21091. All contracts for any improvement or unit of work, except as otherwise provided in this act, estimated to cost in excess of fifteen thousand dollars (\$15,000) shall be let to the lowest responsible bidder in the manner provided in this article. The board

1 of supervisors of the district shall advertise by three insertions in
2 a daily newspaper of general circulation or two insertions in a
3 weekly newspaper of general circulation printed and published in
4 the district inviting sealed proposals for the construction of the
5 improvement or work before any contract is made, and may let by
6 contract separately any part of the work or improvement. The board
7 shall require the successful bidder to file with the board good and
8 sufficient bonds to be approved by the board conditioned upon the
9 faithful performance of the contract and upon the payment of their
10 claims for labor and material. The bonds shall contain the terms
11 and conditions set forth in Sections 10223 and 10224, and Section
12 9554 of the Civil Code and be subject to those sections. The board
13 shall also have the right to reject any bid. If all proposals are
14 rejected or no proposals are received pursuant to advertisement,
15 or where the estimated cost of the work does not exceed fifteen
16 thousand dollars (\$15,000), or the work consists of channel
17 protection, maintenance work, or emergency work, the board of
18 supervisors may, without advertising for bids, have the work done
19 by force account. In case of an emergency, if notice for bids to let
20 contracts will not be given, the board shall comply with Chapter
21 2.5 (commencing with Section 22050). The district may purchase
22 in the open market, without advertising for bids, materials and
23 supplies for use in any improvement or unit of work either under
24 contract or by force account.

25 SEC. 60. Section 21101 of the Public Contract Code is amended
26 to read:

27 21101. All contracts for any improvement or unit of work,
28 when the cost, according to the estimate of the engineer, will
29 exceed five thousand dollars (\$5,000), shall be let to the lowest
30 responsible bidder or bidders in the manner provided in this article.
31 The board shall first determine whether the contract shall be let as
32 a single unit for the whole of the work, or shall be divided into
33 parts, or both, according to the best interests of the district. The
34 board shall call for bids and advertise the call by three insertions
35 in a daily newspaper of general circulation or two insertions in a
36 weekly newspaper of general circulation printed and published in
37 the district inviting sealed proposals for the construction or
38 performance of the improvement or work before any contract shall
39 be made. The call for bids shall state whether the work is to be
40 performed as a unit or is to be divided into severable specific parts,

1 or both, as stated in the call. The board may let the work by single
2 contract for the whole as a unit or it may divide the work into
3 severable parts by separate contracts, as stated in the call, according
4 to the best interests of the district. The board shall require the
5 successful bidder or bidders to file with the board good and
6 sufficient bonds to be approved by the board conditioned upon the
7 faithful performance of the contract and upon the payment of their
8 claims for labor and material, the bonds to contain the terms and
9 conditions set forth in Title-2 3 (commencing with Section 9000)
10 of Part 6 of Division 4 of the Civil Code and to be subject to the
11 provisions of that title. The board shall also have the right to reject
12 any bid. In the event all proposals are rejected or no proposals are
13 received pursuant to advertisement, or the estimated cost of the
14 work does not exceed five thousand dollars (\$5,000), or the work
15 consists of channel protection, maintenance work, or emergency
16 work, the board of supervisors may, without advertising for bids,
17 have the work done by force account. In case of an emergency, if
18 notice for bids to let contracts will not be given, the board shall
19 comply with Chapter 2.5 (commencing with Section 22050). The
20 district shall have the power to purchase in the open market without
21 advertising for bids, materials and supplies for use in any work
22 either under contract or by force account.

23 SEC. 61. Section 21111 of the Public Contract Code is amended
24 to read:

25 21111. (a) All contracts for the construction of any unit of
26 work, except as provided in this article, estimated to cost in excess
27 of ten thousand dollars (\$10,000) shall be let to the lowest
28 responsible bidder in the manner provided in this article. The board
29 of directors of the agency shall advertise by three insertions in a
30 daily newspaper of general circulation or two insertions in a weekly
31 newspaper of general circulation published in the agency's
32 jurisdiction inviting sealed proposals for the construction of the
33 work before any contract shall be made, and may let by contract
34 separately any part of the work. The board shall require the
35 successful bidder to file with the board good and sufficient bonds
36 to be approved by the board conditioned upon the faithful
37 performance of the contract and upon the payment of the claims
38 for labor and material. The faithful performance bond shall contain
39 terms and conditions as the board may specify, and the payment
40 bond shall be subject to the provisions of, and shall contain the

terms and conditions set forth in Title 2 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, as applicable. The board shall also have the right to reject any bid, in which case the board may advertise for new bids. In the event no proposals are received pursuant to advertisement, or where the estimated cost of the work does not exceed ten thousand dollars (\$10,000), or the work consists of emergency work, the board of directors by unanimous vote of all members present may, without advertising for bids, have the work done by force account. In case of an emergency, if notice for bids to let contracts will not be given, the board shall comply with Chapter 2.5 (commencing with Section 22050). The agency may purchase in the open market, and may authorize the Purchasing Agent of the County of Santa Barbara to purchase, without advertisement for bids, materials and supplies for use in any work either under contract or by force account.

(b) If the work to be performed by or on behalf of the agency does not involve an expenditure of ten thousand dollars (\$10,000) or more, or if the work consists of emergency work, the agency may require a faithful performance bond. The agency may require a payment bond on work performed on behalf of the agency which does not involve an expenditure of more than ten thousand dollars (\$10,000).

SEC. 62. Section 21121 of the Public Contract Code is amended to read:

21121. (a) All contracts for any improvement or unit of work, if the cost according to the estimate of the engineer, exceeds five thousand dollars (\$5,000), shall be let to the lowest responsible bidder or bidders.

(b) The board shall first determine whether the contract shall be let as a single unit for the whole of the work, or shall be divided into severable parts, or both, according to the best interests of the agency.

(c) The board shall call for bids and advertise the call by three insertions in a daily newspaper of general circulation or by two insertions in a weekly newspaper of general circulation printed and published in the territory of the agency inviting sealed proposals for the construction or performance of the improvement or work before any contract is entered into. The call for bids shall state whether the work is to be performed as a unit or shall be divided into severable specific parts, or both, as stated in the call.

1 The board may let the work by single contract or it may divide the
2 work into severable parts by separate contracts, as stated in the
3 call, according to the best interests of the agency.

4 (d) The board shall require the successful bidder or bidders to
5 file with the board good and sufficient bonds to be approved by
6 the board conditioned upon the faithful performance of the contract
7 and upon the payment of their claims for labor and material in
8 connection with the contract. The bonds shall contain the terms
9 and conditions set forth in Title 2 3 (commencing with Section
10 9000) of Part 6 of Division 4 of the Civil Code and are subject to
11 the provisions of that title.

12 (e) The board may reject any bid. The board of supervisors may,
13 without advertising for bids, have the work done by force account
14 if any of the following requirements are met:

15 (1) All the projects are rejected.

16 (2) No proposals are received in response to the advertisement.

17 (3) The estimated cost of the work does not exceed five thousand
18 dollars (\$5,000).

19 (4) The work consists of channel protection, maintenance work,
20 or emergency work. In case of an emergency, if notice for bids to
21 let contracts will not be given, the board shall comply with Chapter
22 2.5 (commencing with Section 22050).

23 (f) The agency may purchase in the open market, without
24 advertising for bids, materials and supplies for use in any work
25 either under contract or by force account.

26 (g) The Monterey County Board of Supervisors may grant to
27 the board of directors, appointed pursuant to Section 49 of the
28 Monterey County Water Resources Agency Act (Chapter 1159 of
29 the Statutes of 1990), any of the powers or duties granted to the
30 Monterey County Board of Supervisors by this section.

31 SEC. 63. Section 21131 of the Public Contract Code is amended
32 to read:

33 21131. (a) All contracts for the construction of any unit of
34 work, except as provided in this article, estimated to cost in excess
35 of two thousand five hundred dollars (\$2,500) shall be let to the
36 lowest responsible bidder in the manner provided in this article.
37 The board shall advertise by three placements in a daily newspaper
38 of general circulation or two insertions in a weekly newspaper of
39 general circulation published in the district inviting sealed
40 proposals for the construction of the work before any contract is

1 made, and may let by contract separately any part of the work. The
2 board shall require the successful bidder to file with the board
3 good and sufficient bonds to be approved by the board conditioned
4 upon the faithful performance of the contract and upon the payment
5 of the claims for labor and material in connection therewith, the
6 bonds to contain the terms and conditions set forth in Title-2 3
7 (commencing with Section 9000) of Part 6 of Division 4 of the
8 Civil Code, and to be subject to the provisions of that title. The
9 board may reject any bid, in which case the board may advertise
10 for new bids.

11 (b) In the event no proposals are received pursuant to
12 advertisement therefor, or where the work consists of emergency
13 work, the board of directors, by unanimous vote of all members
14 present, may, without advertising for bids, have the work done by
15 force account. In case of an emergency, if notice for bids to let
16 contracts will not be given, the board shall comply with Chapter
17 2.5 (commencing with Section 22050).

18 (c) The district may purchase in the open market without
19 advertisement for bids, materials and supplies for use in any work
20 either under contract or by force account; provided, however, that
21 materials and supplies for use in any new construction work or
22 improvement, except work authorized and required under
23 circumstances referred to in subdivision (b), may not be purchased
24 if the cost exceeds two thousand five hundred dollars (\$2,500),
25 without advertising for bids and awarding the contract to the lowest
26 responsible bidder.

27 (d) This section does not apply to a contract entered into with
28 the United States or the State of California or other governmental
29 agency under the authority of Section 3 of Chapter 2126 of the
30 Statutes of 1959, or to a contract authorized by a vote of the
31 electorate of the district.

32 (e) The district may rent or otherwise contract for equipment
33 with or without an operator and use it on works of the district, if
34 the contract is approved by the board.

35 SEC. 64. Section 21141 of the Public Contract Code is amended
36 to read:

37 21141. (a) All contracts for the construction of any unit of
38 work, except as provided in this article, estimated to cost in excess
39 of two thousand dollars (\$2,000) shall be let to the lowest
40 responsible bidder in the manner provided in this article. The board

1 shall advertise by three insertions in a daily newspaper of general
2 circulation or two insertions in a weekly newspaper of general
3 circulation published in the district inviting sealed proposals for
4 the construction of the work before any contract shall be made,
5 and may let by contract separately any part of the work. The board
6 shall require the successful bidder to file with the board good and
7 sufficient bonds to be approved by the board conditioned upon the
8 faithful performance of the contract and upon the payment of the
9 claims for labor and material, the bonds to contain the terms and
10 conditions set forth in Title-2 3 (commencing with Section 9000)
11 of Part 6 of Division 4 of the Civil Code, and to be subject to the
12 provisions of that title. The board shall also have the right to reject
13 any bid, in which case the board may advertise for new bids.

14 (b) In the event no proposals are received pursuant to
15 advertisement, where the estimated cost of the work does not
16 exceed the sum of two thousand dollars (\$2,000), or where the
17 work consists of emergency work, the board of directors, by
18 unanimous vote of all members present, may, without advertising
19 for bids, have the work done by force account. In case of an
20 emergency, if notice for bids to let contracts will not be given, the
21 board shall comply with Chapter 2.5 (commencing with Section
22 22050).

23 (c) The district may purchase in the open market, without
24 advertisement for bids, materials and supplies for use in any work
25 either under contract or by force account; provided, however, that
26 materials and supplies for use in any new construction work or
27 improvement, except work referred to in subdivision (b), may not
28 be purchased if the cost exceeds two thousand five hundred dollars
29 (\$2,500), without advertising for bids and awarding the contract
30 therefor to the lowest responsible bidder.

31 (d) The provisions of this section have no application to a
32 contract entered into with the United States under the authority of
33 Section 3, or to a contract authorized by a vote of the electorate
34 of the district.

35 SEC. 65. Section 21151 of the Public Contract Code is amended
36 to read:

37 21151. All contracts for any improvement or unit of work when
38 the cost according to the estimate of the engineer will exceed
39 twenty-five thousand dollars (\$25,000), with or without the
40 furnishing of materials or supplies, shall be let to the lowest

1 responsible bidder or bidders in the manner provided in this article.
2 Construction of improvements or works shall not be staged to
3 avoid the bidding process. The board shall first determine whether
4 the contract shall be let as a single unit for the whole of the work,
5 or shall be divided into severable parts, or both, according to the
6 best interests of the district. The board shall call for bids and
7 advertise the call by inviting sealed proposals for the construction
8 or performance of the improvement or work before any contract
9 is made. The board shall invite the bids by publishing a notice of
10 the call for bids pursuant to Section 6062 or 6066 of the
11 Government Code in a newspaper of general circulation in the
12 county. The call for bids shall state whether the work is to be
13 performed as a unit or shall be divided into severable specific parts,
14 or both, as stated in the call. The board may let the work by single
15 contract or it may divide the work into severable parts by separate
16 contracts, as stated in the call, according to the best interests of
17 the district. The board shall require the successful bidder or bidders
18 to file with the board good and sufficient bonds to be approved by
19 the board conditioned upon the faithful performance of the contract
20 and upon the payment of their claims for labor and material, the
21 bonds to contain the terms and conditions set forth in Title-2 3
22 (commencing with Section 9000) of Part 6 of Division 4 of the
23 Civil Code and to be subject to the provisions of that title. The
24 board shall also have the right to reject any bid. In the event the
25 engineer's estimate is twenty-five thousand dollars (\$25,000) or
26 less, or in the event no proposals are received pursuant to
27 advertisement therefor, or in the event the work consists of channel
28 protection or maintenance work, or emergency work, the board of
29 supervisors may, without advertising for bids, have the work done
30 by day labor under the direction of the board, by contract, or by a
31 combination of the two. In case of an emergency, if notice for bids
32 to let contracts will not be given, the board shall comply with
33 Chapter 2.5 (commencing with Section 22050). The district may
34 acquire in the open market without advertising for bids, materials,
35 equipment, and supplies for use in any work or for any other
36 purpose.

37 SEC. 66. Section 21161 of the Public Contract Code is amended
38 to read:

39 21161. (a) Any improvement or unit of work not performed
40 by district personnel and estimated by the engineer to cost in excess

1 of twenty-five thousand dollars (\$25,000) shall be done by contract.
2 All contracts shall be let to the lowest responsible bidder or bidders
3 in the manner provided in this article. The board shall first
4 determine whether the contract shall be let as a single unit for the
5 whole of the work, or shall be divided into severable parts, or both,
6 according to the best interests of the district. The board shall call
7 for bids and advertise the call by three insertions in a daily
8 newspaper of general circulation or by two insertions in a weekly
9 newspaper of general circulation printed and published in the
10 district inviting sealed proposals for the construction or
11 performance of the improvement or work before any contract is
12 made. The call for bids shall state whether the work is to be
13 performed as a unit for the whole thereof or shall be divided into
14 severable specific parts, or both, as stated in the call. The board
15 may let the work by single contract or it may divide the work into
16 severable parts by separate contracts, as stated in the call, according
17 to the best interests of the district. The board shall require the
18 successful bidder or bidders to file with the board good and
19 sufficient bonds to be approved by the board conditioned upon the
20 faithful performance of the contract and upon the payment of their
21 claims for labor and material, the bonds to contain the terms and
22 conditions set forth in Title-2 3 (commencing with Section 9000)
23 of Part 6 of Division 4 of the Civil Code and to be subject to the
24 provisions of that title. The board shall also have the right to reject
25 any bid. In the event all proposals are rejected or no proposals are
26 received pursuant to advertisement, or the estimated cost of the
27 work does not exceed five thousand dollars (\$5,000), or the work
28 consists of channel protection, maintenance work, or emergency
29 work, the board may, without advertising for bids, have the work
30 done by force account. In case of an emergency, if notice for bids
31 to let contracts will not be given, the board shall comply with
32 Chapter 2.5 (commencing with Section 22050). The district may
33 purchase in the open market, without advertising for bids, materials
34 and supplies for use in any work either under contract or by force
35 account.

36 (b) The provisions of this section requiring competitive bidding
37 and the award of contracts to the lowest responsible bidder are
38 inapplicable to the extent the improvement or unit of work is to
39 be performed on its own facilities by a public utility subject to the
40 jurisdiction of the California Public Utilities Commission.

1 SEC. 67. Section 21171 of the Public Contract Code is amended
2 to read:

3 21171. (a) All contracts for any improvement or unit of work
4 when the cost, according to the estimate of the engineer, will
5 exceed two thousand dollars (\$2,000), shall be let to the lowest
6 responsible bidder or bidders in the manner provided in this article.
7 The board shall first determine whether the contract shall be let as
8 a single unit for the whole of the work, or shall be divided into
9 severable parts, or both, according to the best interests of the
10 district. The board shall call for bids and advertise the call by three
11 insertions in a daily newspaper of general circulation or by two
12 insertions in a weekly newspaper of general circulation printed
13 and published in the district inviting sealed proposals for the
14 construction or performance of the improvement or work before
15 any contract is made. The call for bids shall state whether the work
16 is to be performed as a unit for the whole thereof or shall be divided
17 into severable specific parts, or both, as stated in the call. The
18 board may let the work by single contract as a unit or it may divide
19 the work into severable parts by separate contracts, as stated in the
20 call, according to the best interests of the district. The board shall
21 require the successful bidder or bidders to file with the board good
22 and sufficient bonds to be approved by the board conditioned upon
23 the faithful performance of the contract and upon the payment of
24 their claims for labor and material, the bonds to contain the terms
25 and conditions set forth in Title ~~2~~ 3 (commencing with Section
26 9000) of Part 6 of Division 4 of the Civil Code and to be subject
27 to the provisions of that title. The board shall also have the right
28 to reject any bid.

29 (b) In the event all proposals are rejected or no proposals are
30 received pursuant to advertisement, or the estimated cost of the
31 work does not exceed two thousand dollars (\$2,000), or the work
32 consists of channel protection, maintenance work, or emergency
33 work, the board of supervisors may, without advertising for bids,
34 have the work done by force account. In case of an emergency, if
35 notice for bids to let contracts will not be given, the board shall
36 comply with Chapter 2.5 (commencing with Section 22050).

37 (c) The district may purchase in the open market, without
38 advertising for bids, materials and supplies for use in any work
39 either under contract or by force account; provided, however, that
40 materials and supplies for use in any new construction work or

1 improvements, except work referred to in subdivision (b), may not
2 be purchased if the cost exceeds two thousand five hundred dollars
3 (\$2,500), without advertising for bids and awarding the contract
4 to the lowest responsible bidder.

5 SEC. 68. Section 21181 of the Public Contract Code is amended
6 to read:

7 21181. (a) All contracts for any improvement or unit of work
8 when the cost according to the estimate of the engineer, will exceed
9 four thousand dollars (\$4,000), shall be let to the lowest responsible
10 bidder or bidders in the manner provided in this article. The board
11 shall first determine whether the contract shall be let as a single
12 unit or shall be divided into severable parts, or both, according to
13 the best interests of the district. The board shall call for bids and
14 advertise the call in the district pursuant to Section 6066 of the
15 Government Code inviting sealed proposals for the construction
16 or performance of the improvement or before any contract is made.
17 The call for bids shall state whether the work is to be performed
18 as a unit or shall be divided into severable specific parts, or both,
19 as stated in the call. The board may let the work by single contract
20 or it may divide the work into severable parts by separate contracts,
21 as stated in the call, according to the best interests of the district.
22 The board shall require the successful bidder or bidders to file with
23 the board good and sufficient bonds to be approved by the board
24 conditioned upon the faithful performance of the contract and upon
25 the payment of their claims for labor and material, the bonds to
26 contain the terms and conditions set forth in Title 2 3 (commencing
27 with Section 9000) of Part 6 of Division 4 of the Civil Code and
28 to be subject to the provisions of that title. The board shall also
29 have the right to reject any bid.

30 (b) In the event no proposals are received pursuant to
31 advertisement or the estimated cost of the work does not exceed
32 four thousand dollars (\$4,000), or the work consists of channel
33 protection, maintenance work, or emergency work, the board of
34 supervisors may, without advertising for bids, have the work done
35 by day labor, under the direction of the board, by contract, or by
36 the combination of the two. In case of an emergency, if notice for
37 bids to let contracts will not be given, the board shall comply with
38 Chapter 2.5 (commencing with Section 22050).

39 (c) The district may acquire in the open market, without
40 advertising for bids, materials, equipment, and supplies for use in

1 any work or for any other purpose; provided, however, that
2 materials and supplies for use in any new construction work or
3 improvement, except work referred to in subdivision (b), may not
4 be purchased if the cost exceeds two thousand five hundred dollars
5 (\$2,500), without advertising for bids and awarding the contract
6 to the lowest responsible bidder.

7 SEC. 69. Section 21196 of the Public Contract Code is amended
8 to read:

9 21196. (a) All contracts for the construction of any unit of
10 work, except as provided in this article, estimated to cost in excess
11 of two thousand five hundred dollars (\$2,500) shall be let to the
12 lowest responsible bidder in the manner provided in this article.
13 The board of directors of the district shall call for bids and advertise
14 the call by three insertions in a daily newspaper of general
15 circulation or two insertions in a weekly newspaper of general
16 circulation published in the district inviting sealed proposals for
17 the construction of the work before any contract is made, and may
18 let by contract separately any part of the work. The board shall
19 require the successful bidder to file with the board good and
20 sufficient bonds to be approved by the board conditioned upon the
21 faithful performance of the contract and upon the payment of the
22 claims for labor and material, the bonds to contain the terms and
23 conditions set forth in Title 2 3 (commencing with Section 9000)
24 of Part 6 of Division 4 of the Civil Code and to be subject to the
25 provisions of that title. The board shall also have the right to reject
26 any bid, in which case the board may advertise for new bids.

27 (b) In the event no proposals are received pursuant to
28 advertisement, or where the estimated cost of the work does not
29 exceed two thousand five hundred dollars (\$2,500), or the work
30 consists of emergency work, the board of directors by unanimous
31 vote of all members present, may, without advertising for bids,
32 have the work done by force account. In case of an emergency, if
33 notice for bids to let contracts will not be given, the board shall
34 comply with Chapter 2.5 (commencing with Section 22050). The
35 district may purchase in the open market, without advertisement
36 for bids, materials and supplies for use in any work either under
37 contract or by force account.

38 (c) The provisions of this section have no application to a
39 contract entered into with the United States under the authority of
40 the Solano County Flood Control and Water Conservation District

1 Act, or to a contract authorized by a vote of the electorate of the
2 district.

3 SEC. 70. Section 21212 of the Public Contract Code is amended
4 to read:

5 21212. (a) All contracts for the construction of any unit of
6 work, except as provided in this article, estimated to cost in excess
7 of three thousand dollars (\$3,000), shall be let to the lowest
8 responsible bidder in the manner provided in this article. The board
9 of directors of the agency shall advertise pursuant to Section 6066
10 of the Government Code in a newspaper of general circulation
11 published in the agency's jurisdiction inviting sealed proposals
12 for the construction of the work before any contract is made, and
13 may let by contract separately any part of the work. The board
14 shall require the successful bidder to file with the board good and
15 sufficient bonds to be approved by the board conditioned upon the
16 faithful performance of the contract and upon the payment of any
17 claims for labor and material and containing the terms and
18 conditions set forth in Title 2 3 (commencing with Section 9000)
19 of Part 6 of Division 4 of the Civil Code and to be subject to the
20 provisions of that title. The board shall also have the right to reject
21 any bid, in which case the board may advertise for new bids.

22 (b) In the event no proposals are received pursuant to
23 advertisement, or where the estimated cost of the work does not
24 exceed three thousand dollars (\$3,000), or the work consists of
25 emergency work, the board of directors, by unanimous vote of all
26 members present, may, without advertising for bids, have the work
27 done by force account. In case of an emergency, if notice for bids
28 to let contracts will not be given, the board shall comply with
29 Chapter 2.5 (commencing with Section 22050).

30 (c) The agency may purchase in the open market without
31 advertisement for bids, materials and supplies for use in any work
32 either under contract or by force account.

33 (d) The provisions of this section have no application to a
34 contract entered into with the United States under the authority of
35 Section 6 of Chapter 10 of the Statutes of the 1952 First
36 Extraordinary Session, or to a contract authorized by a vote of the
37 electorate of the agency.

38 SEC. 71. Section 21231 of the Public Contract Code is amended
39 to read:

1 21231. Any improvement or unit of work when the cost,
2 according to the estimate of the engineer, will exceed five thousand
3 dollars (\$5,000), shall be done by contract let to the lowest
4 responsible bidder or bidders in the manner provided in this article.
5 The board shall first determine whether the contract will be let as
6 a single unit, or will be divided into severable parts, or both,
7 according to the best interests of the district. The board shall call
8 for bids and advertise the call pursuant to Section 6066 of the
9 Government Code in the district, inviting sealed proposals for the
10 construction or performance of the improvement or before any
11 contract is made. The call for bids shall state whether the work is
12 to be performed as a unit or shall be divided into separate specific
13 parts, or both, as stated in the call. The board may let the work by
14 single contract or it may divide the work into severable parts by
15 separate contracts, as stated in the call, according to the best
16 interests of the district. The board shall require the successful
17 bidder or bidders to file with the board good and sufficient bonds
18 to be approved by the board conditioned upon the faithful
19 performance of the contract and upon the payment of their claims
20 for labor and material, the bonds to contain the terms and
21 conditions set forth in Title ~~2~~ 3 (commencing with Section 9000)
22 of Part 6 of Division 4 of the Civil Code and to be subject to the
23 provisions of that title. The board shall also have the right to reject
24 any bid. In the event no proposals are received pursuant to
25 advertisement, or the estimated cost of the work does not exceed
26 five thousand dollars (\$5,000), or the work consists of channel
27 protection, maintenance work, or emergency work, the board of
28 supervisors may, without advertising for bids, have the work done
29 by day labor, under the direction of the board, by contract, or by
30 a combination of the two. In case of an emergency, if notice for
31 bids to let contracts will not be given, the board shall comply with
32 Chapter 2.5 (commencing with Section 22050). The district may
33 acquire in the open market without advertising for bids, materials,
34 equipment, and supplies for use in any work or for any other
35 purpose; provided, however, that materials and supplies for use in
36 any new construction work or improvement, except work referred
37 to in the preceding sentence, may not be purchased if the cost
38 exceeds five thousand dollars (\$5,000), without advertising for
39 bids and awarding the contract to the lowest responsible bidder.

1 SEC. 72. Section 21241 of the Public Contract Code is amended
2 to read:

3 21241. All contracts for any improvement or unit of work when
4 the cost, according to the estimate of the engineer, will exceed two
5 thousand dollars (\$2,000), shall be let to the lowest responsible
6 bidder or bidders in the manner provided in this article. The board
7 shall first determine whether the contract shall be let as a single
8 unit or shall be divided into severable parts, or both, according to
9 the best interests of the zone. The board shall call for bids and
10 advertise the call pursuant to Section 6066 of the Government
11 Code in the district inviting sealed proposals for the construction
12 or performance of the improvement or work before any contract
13 is made. The call for bids shall state whether the work is to be
14 performed as a unit or shall be divided into severable specific parts,
15 or both, as stated in the call. The board may let the work by single
16 contract or it may divide the work into severable parts by separate
17 contracts, as stated in the call, according to the best interests of
18 the district. The board shall require the successful bidder or bidders
19 to file with the board good and sufficient bonds to be approved by
20 the board conditioned upon the faithful performance of the contract
21 and upon the payment of their claims for labor and material, the
22 bonds to contain the terms and conditions set forth in Title-2 3
23 (commencing with Section 9000) of Part 6 of Division 4 of the
24 Civil Code and to be subject to the provisions of that title. The
25 board shall also have the right to reject any bid. In the event no
26 proposals are received pursuant to advertisement, or the estimated
27 cost of the work does not exceed two thousand dollars (\$2,000),
28 or the work consists of emergency work, the board of supervisors
29 may, without advertising for bids, have the work done by day
30 labor, under the direction of the board, by contract, or by a
31 combination of the two. In case of an emergency, if notice for bids
32 to let contracts will not be given, the board shall comply with
33 Chapter 2.5 (commencing with Section 22050). The board may
34 acquire in the open market, without advertising for bids, materials,
35 equipment, and supplies for use in any work or for any other
36 purpose; provided, however, that materials and supplies for use in
37 any new construction work or improvement, except work referred
38 to in the preceding sentence, may not be purchased if the cost
39 exceeds two thousand five hundred dollars (\$2,500), without

1 advertising for bids and awarding the contract to the lowest
2 responsible bidder.

3 SEC. 73. Section 21251 of the Public Contract Code is amended
4 to read:

5 21251. (a) (1) All contracts for any improvement or unit of
6 work, if the cost according to the estimate of the engineer will
7 exceed thirty thousand dollars (\$30,000), shall be let to the lowest
8 responsible bidder or bidders as provided in this article. The board
9 shall first determine whether the contract shall be let as a single
10 unit or divided into severable parts, or both.

11 (2) All contracts for any improvement or unit of work, if the
12 cost according to the estimate of the engineer is thirty thousand
13 dollars (\$30,000) or less, may be let without advertising for bids
14 in accordance with procedures adopted by the board.

15 (b) The board shall call for bids and advertise the call pursuant
16 to Section 6063 of the Government Code in the district, inviting
17 sealed proposals for the construction or performance of the
18 improvement or work before any contract is made. The call for
19 bids shall state whether the work is to be performed as one unit or
20 divided into severable specific parts.

21 (c) The work may be let under a single contract or several
22 contracts, or both, as stated in the call. The board shall require the
23 successful bidder or bidders to file with the board good and
24 sufficient bonds to be approved by the board conditioned upon the
25 faithful performance of the contract and upon the payment of their
26 claims for labor and material. The bonds shall comply with Title
27 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
28 the Civil Code. The board may reject any bid.

29 (d) If all proposals are rejected or no proposals are received, or
30 the estimated cost of the work does not exceed five thousand
31 dollars (\$5,000), or the work consists of channel protection,
32 maintenance work, or emergency work, the board may have the
33 work done by force account without advertising for bids. In case
34 of an emergency, if notice for bids to let contracts will not be given,
35 the board shall comply with Chapter 2.5 (commencing with Section
36 22050).

37 (e) The district may purchase in the open market, without
38 advertising for bids, materials and supplies for use in any work
39 either under contract or by force account.

1 SEC. 74. Section 21261 of the Public Contract Code is amended
2 to read:

3 21261. All contracts for any improvement or unit of work when
4 the cost, according to the estimate of the engineer, will exceed two
5 thousand dollars (\$2,000), shall be let to the lowest responsible
6 bidder or bidders in the manner provided in this article. The board
7 shall first determine whether the contract shall be let as a single
8 unit for the work, or shall be divided into severable parts, or both,
9 according to the best interests of the district. The board shall call
10 for bids and advertise the call pursuant to Section 6066 of the
11 Government Code in the district inviting sealed proposals for the
12 construction or performance of the improvement or work before
13 any contract is made. The call for bids shall state whether the work
14 is to be performed as a unit or shall be divided into severable
15 specific parts, or both, as stated in the call. The board may let the
16 work by single contract or it may divide the work into severable
17 parts by separate contracts, as stated in the call, according to the
18 best interests of the district. The board shall require the successful
19 bidder or bidders to file with the board good and sufficient bonds
20 to be approved by the board conditioned upon the faithful
21 performance of the contract and upon the payment of their claims
22 for labor and material, the bonds to contain the terms and
23 conditions set forth in Title 2 3 (commencing with Section 9000)
24 of Part 6 of Division 4 of the Civil Code and to be subject to the
25 provisions of that title. The board shall also have the right to reject
26 any bid. In the event all proposals are rejected or no proposals are
27 received pursuant to advertisement, or the estimated cost of the
28 work does not exceed two thousand dollars (\$2,000), or the work
29 consists of channel protection, maintenance work, or emergency
30 work, the board of supervisors may, without advertising for bids,
31 have the work done by force account. In case of an emergency, if
32 notice for bids to let contracts will not be given, the board shall
33 comply with Chapter 2.5 (commencing with Section 22050). The
34 district may purchase in the open market, without advertising for
35 bids, materials and supplies for use in any work either under
36 contract or by force account.

37 SEC. 75. Section 21271 of the Public Contract Code is amended
38 to read:

1 21271. All improvement and units of work to be performed by
2 or for the district shall be performed in accordance with the
3 following procedures and requirements:

4 (a) If the work consists of the protection or maintenance of
5 channels, storm drains, dams or other flood control works, or
6 emergency work, the board of directors may, without advertising
7 for bids therefor, have the work done by day labor under the
8 direction of the board, by contract, or by a combination of the two.
9 In case of an emergency, if notice for bids to let contracts will not
10 be given, the board shall comply with Chapter 2.5 (commencing
11 with Section 22050).

12 (b) If the work consists of the construction of new flood control
13 channels, storm drains, dams, or other unit or units of work, and
14 if the cost of the work, according to the estimate of the engineer,
15 will exceed ten thousand dollars (\$10,000), and if the work is not
16 the type of work referred to in subdivision (a) or (c) of this section,
17 the new construction shall be performed under a contract or
18 contracts which shall be let to the lowest responsible bidder or
19 bidders in the manner provided in subdivision (d) of this section.

20 (c) If the work consists of the maintenance or alteration of
21 existing facilities, including electrical, painting, and roofing work,
22 and if the cost of labor and materials for the work according to the
23 engineer's estimate, will exceed three thousand five hundred dollars
24 (\$3,500), and if the work is not the type of work referred to in
25 subdivision (a) or (b) of this section, the maintenance and alteration
26 work shall be performed under a contract or contracts which shall
27 be let to the lowest responsible bidder or bidders in the manner
28 provided in subdivision (d) of this section.

29 (d) The board shall first determine whether the work shall be
30 let as a single unit or shall be divided into severable parts, or both,
31 according to the best interests of the district. The board shall call
32 for bids and advertise the call pursuant to Section 6066 of the
33 Government Code in the district inviting sealed proposals for the
34 construction or performance of the work before any contract is
35 made. The call for bids shall state whether the work is to be
36 performed as a unit or shall be divided into severable, specific
37 parts, or both, as stated in the call. The board may let the work by
38 single contract or it may divide the work into severable parts by
39 separate contracts, as stated in the call, according to the best
40 interests of the district. The board shall require the successful

1 bidder or bidders to file with the board good and sufficient bond
2 to be approved by the board conditioned upon the faithful
3 performance of the contract and upon the payment of the claims
4 for labor and material. The faithful performance bond shall contain
5 the terms and conditions as the board may specify, and the payment
6 bond shall contain the terms and conditions set forth in, and shall
7 be subject to, the provisions of Title 2 3 (commencing with Section
8 9000) of Part 6 of Division 4 of the Civil Code. If the work to be
9 performed on behalf of the district does not involve an expenditure
10 of fifteen thousand dollars (\$15,000) or more, the district may
11 require a faithful performance bond or a payment bond. The board
12 shall also have the right to reject any bid.

13 (e) If no proposals are received pursuant to advertisement, or
14 if the estimated cost of work of the type referred to in subdivision
15 (b) of this section does not exceed ten thousand dollars (\$10,000),
16 or if the estimated cost of work of the type referred to in
17 subdivision (c) of this section does not exceed three thousand five
18 hundred dollars (\$3,500), the board of directors may, without
19 advertising for bids, have the work done by day labor, under the
20 direction of the board, by contract, or by combination of the two.
21 If any change or alteration in a contract awarded under the
22 provisions of this section for work of the type referred to in
23 subdivision (b) or (c) is deemed necessary and the cost does not
24 exceed 10 percent of the original contract price, the board may
25 authorize the contractor to proceed with the change or alteration
26 without the formality of obtaining bids.

27 (f) Notwithstanding the foregoing provisions, the district shall
28 have the power to acquire in the open market, and may authorize
29 the Purchasing Agents of the County of Santa Barbara to acquire
30 in the open market, without advertising for bids, materials,
31 equipment, and supplies for use in any work or for any other
32 purpose; provided, however, that materials and supplies for use in
33 any new construction work or improvement, except work referred
34 to in subdivision (a) of this section, may not be purchased without
35 advertising for bids and awarding the contract to the lowest
36 responsible bidder if the cost exceeds two thousand five hundred
37 dollars (\$2,500), unless the purchase is made by the county
38 purchasing agent at the request of the district, in which case the
39 cost shall not exceed six thousand five hundred dollars (\$6,500).

1 SEC. 76. Section 21311 of the Public Contract Code is amended
2 to read:

3 21311. (a) All contracts for any improvement or unit of work
4 when the cost, according to the estimate of the engineer, will
5 exceed two thousand dollars (\$2,000), shall be let to the lowest
6 responsible bidder or bidders in the manner provided in this article.
7 The board shall first determine whether the contract shall be let as
8 a single unit, or shall be divided into severable parts, or both,
9 according to the best interests of the district. The board shall call
10 for bids and advertise the call by three insertions in a daily
11 newspaper of general circulation or by two insertions in a weekly
12 newspaper of general circulation printed and published in the
13 district inviting sealed proposals for the construction or
14 performance of the improvement or work before any contract is
15 made. The call for bids shall state whether the work is to be
16 performed as a unit or shall be divided into severable specific parts,
17 or both, as stated in the call. The board may let the work by single
18 contract for the whole as a unit or it may divide the work into
19 severable parts by separate contracts, as stated in the call, according
20 to the best interests of the district. The board shall require the
21 successful bidder or bidders to file with the board good and
22 sufficient bonds to be approved by the board conditioned upon the
23 faithful performance of the contract and upon the payment of their
24 claims for labor and material, the bonds to contain the terms and
25 conditions set forth in Title 2 3 (commencing with Section 9000)
26 of Part 6 of Division 4 of the Civil Code and to be subject to the
27 provisions of that title. The board shall also have the right to reject
28 any bid.

29 (b) In the event no proposals are received pursuant to
30 advertisement, or the estimated cost of the work does not exceed
31 two thousand dollars (\$2,000), or the work consists of channel
32 protection, maintenance work, or emergency work, the board of
33 supervisors may, without advertising for bids, have the work done
34 by day labor, under the direction of the board, by contract, or by
35 a combination of the two. In case of an emergency, if notice for
36 bids to let contracts will not be given, the board shall comply with
37 Chapter 2.5 (commencing with Section 22050).

38 (c) The district may acquire in the open market, without
39 advertising for bids, materials, equipment, and supplies for use in
40 any work or for any other purpose; provided, however, that

1 materials and supplies for use in any new construction work or
2 improvement, except work referred to in subdivision (b), shall not
3 be purchased if the cost exceeds two thousand five hundred dollars
4 (\$2,500), without advertising for bids and awarding the contract
5 to the lowest responsible bidder.

6 SEC. 77. Section 21321 of the Public Contract Code is amended
7 to read:

8 21321. (a) All contracts for any improvement or unit of work,
9 when the cost according to the estimate of the engineer will exceed
10 thirty thousand dollars (\$30,000), shall be let to the lowest
11 responsible bidder or bidders as provided in this article. The board
12 shall first determine whether the contract shall be let as a single
13 unit, or divided into severable parts. The board shall advertise for
14 bids by three insertions in a daily newspaper of general circulation
15 or by two insertions in a weekly newspaper of general circulation
16 printed and published in the agency's jurisdiction, inviting sealed
17 proposals for the construction or performance of the improvement
18 or work. The call for bids shall state whether the work shall be
19 performed in one unit or divided into parts. The work may be let
20 under a single contract or several contracts, as stated in the call.

21 The board shall require the successful bidders to file with the
22 board good and sufficient bonds to be approved by the board
23 conditioned upon the faithful performance of the contract and upon
24 the payment of their claims for labor and material. The bonds shall
25 comply with Title 2 3 (commencing with Section 9000) of Part 6
26 of Division 4 of the Civil Code.

27 (b) The board may reject any bid. In the event all proposals are
28 rejected or no proposals are received, or the estimated cost of the
29 work does not exceed five thousand dollars (\$5,000), or the work
30 consists of channel protection, maintenance, or emergency work,
31 the board may have the work done by force account without
32 advertising for bids. In case of an emergency, if notice for bids to
33 let contracts will not be given, the board shall comply with Chapter
34 2.5 (commencing with Section 22050). In the event that no
35 proposals are received, or if only one responsive proposal is
36 received, the board may negotiate a contract for construction or
37 performance of the work or improvement or substantially similar
38 work or improvement. However, if only one responsive proposal
39 is received, the contract must be negotiated with the bidder.

1 (c) The agency may purchase in the open market without
2 advertising for bids, materials and supplies for use in any work,
3 either under contract or by force account.

4 (d) Sections 4300 to 4305, inclusive, of the Government Code
5 do not apply to the agency's Middle Fork American River Project.

6 (e) This section applies to all proposals or contracts whether or
7 not received or entered into prior to the effective date of the
8 amendment of this provision made at the 1963 Regular Session of
9 the Legislature.

10 SEC. 78. Section 21331 of the Public Contract Code is amended
11 to read:

12 21331. (a) All contracts for the construction of any unit of
13 work, except as provided in this article, estimated to cost in excess
14 of three thousand five hundred dollars (\$3,500) shall be let to the
15 lowest responsible bidder in the manner provided in this article.
16 The board shall advertise by three insertions in a daily newspaper
17 of general circulation or two insertions in a weekly newspaper of
18 general circulation published in the district inviting sealed
19 proposals for the construction of the work before any contract shall
20 be made, and may let by contract separately any part of the work.
21 The board shall require the successful bidder to file with the board
22 good and sufficient bonds to be approved by the board conditioned
23 upon the faithful performance of the contract and upon the payment
24 of all claims for labor and material, the bonds to contain the terms
25 and conditions set forth in Title ~~2~~ 3 (commencing with Section
26 9000) of Part 6 of Division 4 of the Civil Code, and to be subject
27 to the provisions of that title. The board shall also have the right
28 to reject any bid, in which case the board may advertise for new
29 bids.

30 (b) In the event no proposals are received pursuant to
31 advertisement, where the estimated cost of the work does not
32 exceed five thousand dollars (\$5,000), or where the work consists
33 of emergency work, the board of directors, by unanimous vote of
34 all members present, may, without advertising for bids, have the
35 work done by force account. In case of an emergency, if notice
36 for bids to let contracts will not be given, the board shall comply
37 with Chapter 2.5 (commencing with Section 22050).

38 (c) The district may purchase in the open market, without
39 advertisement for bids, materials and supplies for use in any work
40 either under contract or by force account; provided, however, that

1 materials and supplies for use in any new construction work or
2 improvement, except work referred to in subdivision (b), may not
3 be purchased if the cost exceeds five thousand dollars (\$5,000),
4 without advertising for bids and awarding the contract to the lowest
5 responsible bidder.

6 (d) The provisions of this section have no application to a
7 contract entered into with the United States under the authority of
8 Section 3 of Chapter 1280 of the Statutes of 1957, or to a contract
9 authorized by a vote of the electorate of the district.

10 SEC. 79. Section 21341 of the Public Contract Code is amended
11 to read:

12 21341. (a) All contracts for the construction of any unit of
13 work, except as provided in this article, estimated to cost in excess
14 of five thousand dollars (\$5,000) shall be let to the lowest
15 responsible bidder. The board shall advertise by three insertions
16 in a daily newspaper of general circulation or two insertions in a
17 weekly newspaper of general circulation published by the agency
18 inviting sealed proposals for the construction of the work before
19 any contract is made, and may let by contract separately any part
20 of the work. The board shall require the successful bidder to file
21 with the board good and sufficient bonds to be approved by the
22 board conditioned upon the faithful performance of the contract
23 and upon the payment of the claims for labor and material, the
24 bonds to contain the terms and conditions set forth in Title-2 3
25 (commencing with Section 9000) of Part 6 of Division 4 of the
26 Civil Code, and to be subject to the provisions of that title. The
27 board shall also have the right to reject any bid, in which case the
28 board may advertise for new bids. In the event no proposals are
29 received pursuant to advertisement or where the estimated cost of
30 the work does not exceed five thousand dollars (\$5,000), or where
31 the work consists of emergency work, the board, by unanimous
32 vote of all members present, may, without advertising for bids,
33 have the work done by force account. In case of an emergency, if
34 notice for bids to let contracts will not be given, the board shall
35 comply with Chapter 2.5 (commencing with Section 22050). The
36 agency may purchase in the open market, without advertisement
37 for bids, materials and supplies for use in any work either under
38 contract or by force account.

39 (b) The provisions of this section have no application to a
40 contract entered into with the United States under the authority of

1 Section 59 of Chapter 1512 of the Statutes of 1957, or to a contract
2 authorized by a vote of the electorate of the agency.

3 SEC. 80. Section 21351 of the Public Contract Code is amended
4 to read:

5 21351. All contracts for any improvement or unit of work,
6 when the cost according to the estimate of the engineer will exceed
7 five thousand dollars (\$5,000), shall be let to the lowest responsible
8 bidder or bidders as provided in this article. The board shall first
9 determine whether the contract shall be let as a single unit, or
10 divided into severable parts. The board shall advertise for bids by
11 three insertions in a daily newspaper of general circulation or by
12 two insertions in a weekly newspaper of general circulation printed
13 and published by the agency, inviting sealed proposals for the
14 construction or performance of the improvement or work. The call
15 for bids shall state whether the work shall be performed in one
16 unit or divided into parts. The work may be let under a single
17 contract or several contracts, as stated in the call. The board shall
18 require the successful bidders to file with the board good and
19 sufficient bonds to be approved by the board conditioned upon the
20 faithful performance of the contract and upon the payment of their
21 claims for labor and material. The bonds shall comply with Title
22 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
23 the Civil Code. The board may reject any bid. In the event all
24 proposals are rejected or no proposals are received, or the estimated
25 cost of the work does not exceed five thousand dollars (\$5,000),
26 or the work consists of channel protection, maintenance work, or
27 emergency work, the board may have the work done by force
28 account without advertising for bids. In case of an emergency, if
29 notice for bids to let contracts will not be given, the board shall
30 comply with Chapter 2.5 (commencing with Section 22050). The
31 board may purchase in the open market without advertising for
32 bids, materials and supplies for use in any work, either under
33 contract or by force account. In awarding any contract or
34 authorizing any work, the board shall comply with the provisions
35 of Article 2 (commencing with Section 1770) of Chapter 1 of Part
36 7 of Division 2 of the Labor Code.

37 SEC. 81. Section 21361 of the Public Contract Code is amended
38 to read:

39 21361. All contracts for any improvement or unit of work,
40 when the cost according to the estimate of the engineer will exceed

1 five thousand dollars (\$5,000), shall be let to the lowest responsible
2 bidder or bidders as provided in this article. The board shall first
3 determine whether the contract shall be let as a single unit, or
4 divided into severable parts. The board shall advertise for bids by
5 three insertions in a daily newspaper of general circulation or by
6 two insertions in a weekly newspaper of general circulation printed
7 and published in the agency's jurisdiction, inviting sealed proposals
8 for the construction or performance of the improvement or work.
9 The call for bids shall state whether the work shall be performed
10 in one unit or divided into parts. The work may be let under a
11 single contract or several contracts, as stated in the call. The board
12 shall require the successful bidders to file with the board good and
13 sufficient bonds to be approved by the board conditioned upon the
14 faithful performance of the contract and upon the payment of their
15 claims for labor and material. The bonds shall comply with Title
16 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
17 the Civil Code. The board may reject any bid. In the event all
18 proposals are rejected or no proposals are received, or the estimated
19 cost of the work does not exceed five thousand dollars (\$5,000),
20 or the work consists of channel protection, maintenance work, or
21 emergency work, the board of supervisors may have the work done
22 by force account without advertising for bids. In case of an
23 emergency, if notice for bids to let contracts will not be given, the
24 board shall comply with Chapter 2.5 (commencing with Section
25 22050). The district may purchase in the open market without
26 advertising for bids, materials and supplies for use in any work,
27 either under contract or by force account.

28 SEC. 82. Section 21371 of the Public Contract Code is amended
29 to read:

30 21371. All contracts for any improvement or unit of work,
31 when the cost according to the estimate of the engineer will exceed
32 five thousand dollars (\$5,000), shall be let to the lowest responsible
33 bidder or bidders as provided in this article. The board shall first
34 determine whether the contract shall be let as a single unit, or
35 divided into severable parts. The board shall advertise for bids by
36 three insertions in a daily newspaper of general circulation or by
37 two insertions in a weekly newspaper of general circulation printed
38 and published in the agency's jurisdiction, inviting sealed proposals
39 for the construction or performance of the improvement or work.
40 The call for bids shall state whether the work shall be performed

1 in one unit or divided into parts. The work may be let under a
2 single contract or several contracts, as stated in the call. The board
3 shall require the successful bidders to file with the board good and
4 sufficient bonds to be approved by the board conditioned upon the
5 faithful performance of the contract and upon the payment of their
6 claims for labor and material. The bonds shall comply with Title
7 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
8 the Civil Code. The board may reject any bid. In the event all
9 proposals are rejected or no proposals are received, or the estimated
10 cost of the work does not exceed five thousand dollars (\$5,000),
11 or the work consists of emergency work, the board may have the
12 work done by force account without advertising for bids. In case
13 of an emergency, if notice for bids to let contracts will not be given,
14 the board shall comply with Chapter 2.5 (commencing with Section
15 22050). The district may purchase in the open market without
16 advertising for bids, materials and supplies for use in any work,
17 either under contract or by force account.

18 SEC. 83. Section 21381 of the Public Contract Code is amended
19 to read:

20 21381. All contracts for any improvement or unit of work,
21 except as provided in this article, estimated to cost in excess of
22 five thousand dollars (\$5,000) shall be let to the lowest responsible
23 bidder in the manner provided in this article. The board of
24 supervisors of the district shall advertise by three insertions in a
25 daily newspaper of general circulation or two insertions in a weekly
26 newspaper of general circulation printed and published in the
27 district inviting sealed proposals for the construction of the
28 improvement or work before any contract shall be made, and may
29 let by contract separately any part of said work or improvement.
30 The board shall require the successful bidder to file with the board
31 good and sufficient bonds to be approved by the board conditioned
32 upon the faithful performance of the contract and upon the payment
33 of their claims for labor and material, the bonds to contain the
34 terms and conditions set forth in Title—2 3 (commencing with
35 Section 9000) of Part 6 of Division 4 of the Civil Code and to be
36 subject to the provisions of that part. The board shall also have the
37 right to reject any bid. In the event all proposals are rejected or no
38 proposals are received pursuant to advertisement, or where the
39 estimated cost of the work does not exceed five thousand dollars
40 (\$5,000), or the work consists of channel protection, maintenance

1 work, or emergency work, the board of supervisors may, without
2 advertising for bids, have the work done by force account. In case
3 of an emergency, if notice for bids to let contracts will not be given,
4 the board shall comply with Chapter 2.5 (commencing with Section
5 22050). The district may purchase in the open market without
6 advertising for bids, materials and supplies for use in any work
7 either under contract or by force account.

8 SEC. 84. Section 21391 of the Public Contract Code is amended
9 to read:

10 21391. (a) All contracts for the construction of any unit of
11 work, except as provided in this article, estimated to cost in excess
12 of two thousand dollars (\$2,000) shall be let to the lowest
13 responsible bidder in the manner provided in this article. The board
14 shall advertise by three insertions in a daily newspaper of general
15 circulation or two insertions in a weekly newspaper of general
16 circulation published in the district, inviting sealed proposals for
17 the construction of the work before any contract shall be made,
18 and may let by contract separately any part of the work. The board
19 shall require the successful bidder to file with the board good and
20 sufficient bonds to be approved by the board conditioned upon the
21 faithful performance of the contract and upon the payment of all
22 claims for labor and material, the bonds to contain the terms and
23 conditions set forth in Title 2 3 (commencing with Section 9000)
24 of Part 6 of Division 4 of the Civil Code, and to be subject to the
25 provisions of that title. The board shall also have the right to reject
26 any and all bids, in which case the board may advertise for new
27 bids.

28 (b) In the event no proposals are received pursuant to
29 advertisement therefor, where the estimated cost of the work does
30 not exceed two thousand dollars (\$2,000), or where the work
31 consists of emergency work necessary in order to protect life and
32 property, the board of directors, by unanimous vote of all members
33 present, may, without advertising for bids, have the work done by
34 force account. In case of an emergency, if notice for bids to let
35 contracts will not be given, the board shall comply with Chapter
36 2.5 (commencing with Section 22050).

37 (c) The district may purchase in the open market without
38 advertisement for bids, materials and supplies for use in any work
39 either under contract or by force account; provided, however, that
40 materials and supplies for use in any new construction work or

1 improvement, except work referred to in subdivision (b), may not
2 be purchased if the cost exceeds two thousand five hundred dollars
3 (\$2,500), without advertising for bids and awarding the contract
4 to the lowest responsible bidder.

5 (d) The provisions of this section have no application to a
6 contract entered into with the United States under the authority of
7 Section 3 of Chapter 2114 of the Statutes of 1959, or to a contract
8 authorized by a vote of the electorate of the district.

9 SEC. 85. Section 21401 of the Public Contract Code is amended
10 to read:

11 21401. (a) All contracts for the construction of any unit of
12 work, except as provided in this article, estimated to cost in excess
13 of two thousand dollars (\$2,000) shall be let to the lowest
14 responsible bidder in the manner provided in this article. The board
15 shall advertise by three insertions in a daily newspaper of general
16 circulation or two insertions in a weekly newspaper of general
17 circulation published in the district inviting sealed proposals for
18 the construction of the work before any contract shall be made,
19 and may let by contract separately any part of the work. The board
20 shall require the successful bidder to file with the board good and
21 sufficient bonds to be approved by the board conditioned upon the
22 faithful performance of the contract and upon the payment of all
23 claims for labor and material, the bonds to contain the terms and
24 conditions set forth in Title-2 3 (commencing with Section 9000)
25 of Part 6 of Division 4 of the Civil Code, and to be subject to the
26 provisions of that title. The board shall also have the right to reject
27 any bids, in which case the board may advertise for new bids.

28 (b) In the event no proposals are received pursuant to
29 advertisement, where the estimated cost of the work does not
30 exceed two thousand dollars (\$2,000), or where work consists of
31 emergency work, the board of directors, by unanimous vote of all
32 members present, may, without advertising for bids, have the work
33 done by force account. In case of an emergency, if notice for bids
34 to let contracts will not be given, the board shall comply with
35 Chapter 2.5 (commencing with Section 22050).

36 (c) The district may purchase in the open market without
37 advertisement for bids, materials and supplies for use in any work
38 either under contract or by force account; provided, however, that
39 materials and supplies for use in any new construction work or
40 improvement, except work referred to in subdivision (b), may not

1 be purchased if the cost exceeds two thousand five hundred dollars
2 (\$2,500), without advertising for bids and awarding the contract
3 to the lowest responsible bidder.

4 (d) The provisions of this section have no application to a
5 contract entered into with the United States under the authority of
6 Section 3 of Chapter 2121 of the Statutes of 1959, or to a contract
7 authorized by a vote of the electorate of the district.

8 SEC. 86. Section 21411 of the Public Contract Code is amended
9 to read:

10 21411. All contracts for any improvement or unit of work,
11 when the cost according to the estimate of the engineer will exceed
12 five thousand dollars (\$5,000) shall be let to the lowest responsible
13 bidder or bidders as provided in this article. The board shall first
14 determine whether the contract shall be let as a single unit, or
15 divided into severable parts. The board shall advertise for bids by
16 three insertions in a daily newspaper of general circulation or by
17 two insertions in a weekly newspaper of general circulation printed
18 and published in the agency's jurisdiction, inviting sealed proposals
19 for the construction or performance of the improvement or work.
20 The call for bids shall state whether the work shall be performed
21 in one unit or divided into parts. The work may be let under a
22 single contract or several contracts, as stated in the call. The board
23 shall require the successful bidders to file with the board good and
24 sufficient bonds to be approved by the board conditioned upon the
25 faithful performance of the contract and upon the payment of their
26 claims for labor and material. The bonds shall comply with Title
27 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
28 the Civil Code. The board may reject any bid. In the event all
29 proposals are rejected or no proposals are received, or the estimated
30 cost of the work does not exceed five thousand dollars (\$5,000),
31 or the work consists of channel protection, maintenance work, or
32 emergency work, the board may have the work done by force
33 account without advertising for bids. In case of an emergency, if
34 notice for bids to let contracts will not be given, the board shall
35 comply with Chapter 2.5 (commencing with Section 22050). In
36 that event a majority vote of all board members shall be required.
37 The board may purchase in the open market, without advertising
38 for bids, materials and supplies for use in any work, either under
39 contract or by force account.

1 SEC. 87. Section 21421 of the Public Contract Code is amended
2 to read:

3 21421. (a) All contracts for the construction of any unit of
4 work, except as provided in this article, estimated to cost in excess
5 of two thousand dollars (\$2,000), shall be let to the lowest
6 responsible bidder in the manner provided in this article. The board
7 shall advertise by three insertions in a daily newspaper of general
8 circulation or two insertions in a weekly newspaper of general
9 circulation published in the district inviting sealed proposals for
10 the construction of the work before any contract shall be made,
11 and may let by contract separately any part of the work. The board
12 shall require the successful bidder to file with the board good and
13 sufficient bonds to be approved by the board conditioned upon the
14 faithful performance of the contract and upon the payment of all
15 claims for labor and material, the bonds to contain the terms and
16 conditions set forth in Title 2 3 (commencing with Section 9000)
17 of Part 6 of Division 4 of the Civil Code, and to be subject to the
18 provisions of that title. The board shall also have the right to reject
19 any bid, in which case the board may advertise for new bids.

20 (b) In the event no proposals are received pursuant to
21 advertisement, where the estimated cost of the work does not
22 exceed two thousand dollars (\$2,000), or where the work consists
23 of emergency work, the board of directors, by unanimous vote of
24 all members present, may, without advertising for bids, have the
25 work done by force account. In case of an emergency, if notice
26 for bids to let contracts will not be given, the board shall comply
27 with Chapter 2.5 (commencing with Section 22050).

28 (c) The district may purchase in the open market without
29 advertisement for bids, materials and supplies for use in any work
30 either under contract or by force account; provided, however, that
31 materials and supplies for use in any new construction work or
32 improvement, except work referred to in subdivision (b), may not
33 be purchased if the cost exceeds two thousand five hundred dollars
34 (\$2,500), without advertising for bids and awarding the contract
35 to the lowest responsible bidder.

36 (d) The provisions of this section have no application to a
37 contract entered into with the United States under the authority of
38 Section 3 of Chapter 2123 of the Statutes of 1959, or to a contract
39 authorized by a vote of the electorate of the district.

1 SEC. 88. Section 21431 of the Public Contract Code is amended
2 to read:

3 21431. (a) All contracts for the construction of any unit of
4 work, except as provided in this article, estimated to cost in excess
5 of two thousand dollars (\$2,000), shall be let to the lowest
6 responsible bidder in the manner provided in this article. The board
7 shall advertise by three insertions in a daily newspaper of general
8 circulation or two insertions in a weekly newspaper of general
9 circulation published in the district inviting sealed proposals for
10 the construction of the work before any contract shall be made,
11 and may let by contract separately any part of the work. The board
12 shall require the successful bidder to file with the board good and
13 sufficient bonds to be approved by the board conditioned upon the
14 faithful performance of the contract and upon the payment of all
15 claims for labor and material, the bonds to contain the terms and
16 conditions set forth in Title 2 3 (commencing with Section 9000)
17 of Part 6 of Division 4 of the Civil Code, and to be subject to the
18 provisions of that title. The board shall also have the right to reject
19 any bid, in which case the board may advertise for new bids.

20 (b) In the event no proposals are received pursuant to
21 advertisement, where the estimated cost of the work does not
22 exceed two thousand dollars (\$2,000), the board of directors, by
23 unanimous vote of all members present, may without advertising
24 for bids, have the work done by force account. In case of an
25 emergency, if notice for bids to let contracts will not be given, the
26 board shall comply with Chapter 2.5 (commencing with Section
27 22050).

28 (c) The district may purchase in the open market without
29 advertisement for bids, materials and supplies for use in any work
30 either under contract or by force account; provided, however, that
31 materials and supplies for use in any new construction work or
32 improvement, except work referred to in subdivision (b), may not
33 be purchased if the cost exceeds two thousand five hundred dollars
34 (\$2,500), without advertising for bids and awarding the contract
35 to the lowest responsible bidder.

36 (d) The provisions of this section have no application to a
37 contract entered into with the United States under the authority of
38 Section 3 of Chapter 2127 of the Statutes of 1959, or to a contract
39 authorized by a vote of the electorate of the district.

1 SEC. 89. Section 21441 of the Public Contract Code is amended
2 to read:

3 21441. (a) All contracts for any improvement or unit of work,
4 when the cost according to the estimate of the engineer will exceed
5 five thousand dollars (\$5,000) shall be let to the lowest responsible
6 bidder or bidders as provided in this article. The board shall first
7 determine whether the contract shall be let as a single unit, or
8 divided into severable parts. The board shall advertise for bids by
9 three insertions in a daily newspaper of general circulation or by
10 two insertions in a weekly newspaper of general circulation printed
11 and published in the authority, inviting sealed proposals for the
12 construction or performance of the improvement work. The call
13 for bids shall state whether the work shall be performed in one
14 unit or divided into parts. The work may be let under a single
15 contract or several contracts, as stated in the call. The board shall
16 require the successful bidders to file with the board good and
17 sufficient bonds to be approved by the board conditioned upon the
18 faithful performance of the contract and upon the payment of their
19 claims for labor and material. The bonds shall comply with Title
20 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
21 the Civil Code. The board may reject any bid. In the event all
22 proposals are rejected or no proposals are received, or the estimated
23 cost of the work does not exceed five thousand dollars (\$5,000),
24 or the work consists of channel protection, maintenance work, or
25 emergency work, the board may have the work done by force
26 account without advertising for bids.

27 (b) In case of an emergency, if notice for bids to let contracts
28 will not be given, the board shall comply with Chapter 2.5
29 (commencing with Section 22050). The authority may purchase
30 in the open market without advertising for bids, materials, and
31 supplies for use in any work, either under contract or by force
32 account.

33 SEC. 90. Section 21451 of the Public Contract Code is amended
34 to read:

35 21451. All contracts for any improvement or unit of work,
36 when the cost according to the estimate of the engineer will exceed
37 twelve thousand five hundred dollars (\$12,500), shall be let to the
38 lowest responsible bidder or bidders as provided in this article.
39 The board shall first determine whether the contract shall be let as
40 a single unit or divided into severable parts. The board shall

1 advertise for bids by three insertions in a daily newspaper of
2 general circulation or by two insertions in a weekly newspaper of
3 general circulation printed and published in the agency, inviting
4 sealed proposals for the construction or performance of the
5 improvement or work. The call for bids shall state whether the
6 work shall be performed in one unit or divided into parts. The work
7 may be let under a single contract or several contracts, as stated
8 in the call. The board shall require the successful bidders to file
9 with the board good and sufficient bonds to be approved by the
10 board conditioned upon the faithful performance of the contract
11 and upon the payment of their claims for labor and material. The
12 payment bonds shall comply with Chapter 5 (commencing with
13 Section 9550) of Title 2 of Part 6 of Division 4 of the Civil Code.
14 The board may reject any bid. If all proposals are rejected or no
15 proposals are received, or the estimated cost of the work does not
16 exceed twelve thousand five hundred dollars (\$12,500), or the
17 work consists of channel protection, maintenance work, or
18 emergency work, the board may have the work done by force
19 account without advertising for bids. In case of an emergency, if
20 notice for bids to let contracts will not be given, the board shall
21 comply with Chapter 2.5 (commencing with Section 22050). The
22 agency may purchase in the open market without advertising for
23 bids, materials and supplies for use in any work, either under
24 contract or by force account.

25 SEC. 91. Section 21461 of the Public Contract Code is amended
26 to read:

27 21461. All contracts for any improvement or unit of work,
28 when the cost according to the estimate of the engineer will exceed
29 five thousand dollars (\$5,000), shall be let to the lowest responsible
30 bidder or bidders as provided in this article. The board shall first
31 determine whether the contract shall be let as a single unit, or
32 divided into severable parts. The board shall advertise for bids by
33 three insertions in a daily newspaper of general circulation or by
34 two insertions in a weekly newspaper of general circulation printed
35 and published in the agency, inviting sealed proposals for the
36 construction or performance of the improvement or work. The call
37 for bids shall state whether the work shall be performed in one
38 unit or divided into parts. The work may be let under a single
39 contract or several contracts, as stated in such call. The board shall
40 require the successful bidders to file with the board good and

sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon payment of their claims for labor and material. The bonds shall comply with Title 2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code. The board may reject any and all bids. In the event all proposals are rejected or no proposals are received, or the estimated cost of the work does not exceed five thousand dollars (\$5,000), or the work consists of channel protection, maintenance work, or emergency work, the board of supervisors may have the work done by force account without advertising for bids. In case of an emergency, if notice for bids to let contracts will not be given, the board shall comply with Chapter 2.5 (commencing with Section 22050). The district may purchase in the open market without advertising for bids, materials and supplies for use in any work, either under contract or by force account.

SEC. 92. Section 21491 of the Public Contract Code is amended to read:

21491. (a) All contracts for any improvement or unit of work, when the cost according to the estimate of the engineer will exceed ten thousand dollars (\$10,000), shall be let to the lowest responsible bidder or bidders as provided in this article. The board shall first determine whether the contract shall be let as a single unit, or divided into severable parts. The board shall advertise for bids by three insertions in a daily newspaper of general circulation or by two insertions in a weekly newspaper of general circulation printed and published in the agency, inviting sealed proposals for the construction or performance of the improvement or work. The call for bids shall state whether the work shall be performed in one unit or divided into parts. The work may be let under a single contract or several contracts, as stated in such call. The board shall require the successful bidders to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material. The bonds shall comply with Title 2 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code. The board may reject any bid.

(b) In the event all proposals are rejected or no proposals are received, or the estimated cost of the work does not exceed ten thousand dollars (\$10,000), or the work consists of channel protection, maintenance work, or emergency work, the board may

1 have the work done by force account without advertising for bids.
2 In case of an emergency, if notice for bids to let contracts will not
3 be given, the board shall comply with Chapter 2.5 (commencing
4 with Section 22050).

5 (c) The agency may purchase in the open market without
6 advertising for bids, materials and supplies for use in any work,
7 either under contract or by force account; provided, however, that
8 materials and supplies for use in any new construction work or
9 improvement, except work referred to in subdivision (b), may not
10 be purchased if the cost exceeds ten thousand dollars (\$10,000),
11 without advertising for bids and awarding the contract to the lowest
12 responsible bidder.

13 SEC. 93. Section 21501 of the Public Contract Code is amended
14 to read:

15 21501. (a) All contracts for any improvement or unit of work,
16 when the cost according to the estimate of the engineer will exceed
17 fifteen thousand dollars (\$15,000), shall be let to the lowest
18 responsible bidder or bidders as provided in this article. The board
19 shall first determine whether the contract shall be let as a single
20 unit, or divided into severable parts. The board shall advertise for
21 bids by three insertions in a daily newspaper of general circulation
22 or by two insertions in a weekly newspaper of general circulation
23 printed and published in the agency, inviting sealed proposals for
24 the construction or performance of the improvement or work. The
25 call for bids shall state whether the work shall be performed in one
26 unit or divided into parts. The work may be let under a single
27 contract or several contracts, as stated in such call. The board shall
28 require the successful bidders to file with the board good and
29 sufficient bonds to be approved by the board conditioned upon the
30 faithful performance of the contract and upon the payment of their
31 claims for labor and material. The bonds shall comply with Chapter
32 5 (commencing with Section 9550) of Title—2 3 of Part 6 of
33 Division 4 of the Civil Code. The board may reject any and all
34 bids.

35 (b) The board may have work done by force account without
36 advertising for bids or by informal bidding procedures in any of
37 the following situations:

38 (1) All proposals are rejected.

39 (2) No proposals are received.

1 (3) The estimated cost of the work does not exceed fifteen
2 thousand dollars (\$15,000) until January 1, 1989. After January
3 1, 1989, the estimated cost of the work shall not exceed ten
4 thousand dollars (\$10,000).

5 (4) The work consists of channel protection.

6 (5) The work consists of maintenance work, except that informal
7 bidding procedures may be used only where the estimated cost
8 does not exceed twenty-five thousand dollars (\$25,000).

9 (6) The work consists of emergency work. In case of an
10 emergency, if notice for bids to let contracts will not be given, the
11 board shall comply with Chapter 2.5 (commencing with Section
12 22050).

13 (c) The agency may purchase in the open market without
14 advertising for bids, materials and supplies for use in any work,
15 either under contract or by force account, except that, materials
16 and supplies for use in any new construction work or improvement,
17 except work referred to in subdivision (b), may not be purchased,
18 if the cost exceeds fifteen thousand dollars (\$15,000), without
19 advertising for bids and awarding the contract to the lowest
20 responsible bidder.

21 (d) As used in this section, “informal bidding procedures” means
22 that the board shall, at a minimum, award a contract to the lowest
23 responsible bidder after publishing a notice which generally
24 describes the work to be performed and invites written bids in a
25 newspaper of general circulation in the agency once a week for
26 two successive weeks. The board shall obtain a minimum of three
27 written bids.

28 SEC. 94. Section 21511 of the Public Contract Code is amended
29 to read:

30 21511. (a) All contracts for any improvement or unit of work,
31 when the cost according to the estimate of the engineer will exceed
32 fifty thousand dollars (\$50,000), shall be let to the lowest
33 responsible bidder or bidders as provided in this article. The board
34 shall first determine whether the contract shall be let as a single
35 unit or divided into severable parts. The board shall advertise for
36 bids by three insertions in a daily newspaper of general circulation
37 or by two insertions in a weekly newspaper of general circulation
38 printed and published in the agency, inviting sealed proposals for
39 the construction or performance of the improvement or work. The
40 call for bids shall state whether the work shall be performed in one

1 unit or divided into parts. The work may be let under a single
2 contract or several contracts, as stated in the call. The board shall
3 require the successful bidders to file with the board good and
4 sufficient bonds to be approved by the board conditioned upon the
5 faithful performance of the contract and upon the payment of their
6 claims for labor and material. The bonds shall comply with Title
7 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
8 the Civil Code. The board may reject any and all bids.

9 (b) In the event all proposals are rejected or no proposals are
10 received, or the estimated cost of the work does not exceed ten
11 thousand dollars (\$10,000), or the work consists of channel
12 protection, maintenance work, or emergency work, the board may
13 have the work done by force account without advertising for bids.
14 In case of an emergency, if notice for bids to let contracts will not
15 be given, the board shall comply with Chapter 2.5 (commencing
16 with Section 22050).

17 (c) The agency may purchase in the open market without
18 advertising for bids, materials and supplies for use in any work,
19 either under contract or by force account. However, materials and
20 supplies for use in any new construction work or improvement,
21 except work referred to in subdivision (b), may not be purchased,
22 if the cost exceeds fifty thousand dollars (\$50,000), without
23 advertising for bids and awarding the contract to the lowest
24 responsible bidder.

25 SEC. 95. Section 21521 of the Public Contract Code is amended
26 to read:

27 21521. All contracts for any improvement or unit of work,
28 when the cost according to the estimate of the engineer will exceed
29 five thousand dollars (\$5,000) shall be let to the lowest responsible
30 bidder or bidders as provided in this article. The board shall first
31 determine whether the contract shall be let as a single unit, or
32 divided into severable parts. The board shall advertise for bids by
33 three insertions in a daily newspaper of general circulation or by
34 two insertions in a weekly newspaper of general circulation printed
35 and published in the agency, inviting sealed proposals for the
36 construction or performance of the improvement or work. The call
37 for bids shall state whether the work shall be performed in one
38 unit or divided into parts. The work may be let under a single
39 contract or several contracts, as stated in the call. The board shall
40 require the successful bidders to file with the board good and

1 sufficient bonds to be approved by the board conditioned upon the
2 faithful performance of the contract and upon the payment of their
3 claims for labor and material. The bonds shall comply with Title
4 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
5 the Civil Code. The board may reject any bid. In the event all
6 proposals are rejected or no proposals are received, or the estimated
7 cost of the work does not exceed five thousand dollars (\$5,000),
8 or the work consists of channel protection, maintenance work, or
9 emergency work, the board may have the work done by force
10 account without advertising for bids. In case of an emergency, if
11 notice for bids to let contracts will not be given, the board shall
12 comply with Chapter 2.5 (commencing with Section 22050). In
13 that event a majority vote of all board members shall be required.
14 The board may purchase in the open market without advertising
15 for bids, materials and supplies for use in any work, either under
16 contract or by force account.

17 SEC. 96. Section 21531 of the Public Contract Code is amended
18 to read:

19 21531. (a) The Castaic Lake Water Agency shall have power
20 to prescribe methods for the construction of works and for the
21 letting of contracts for the construction of works, structures, or
22 equipment, or the performance or furnishing of labor, materials,
23 or supplies, necessary or convenient for carrying out any of the
24 purposes of this act or for the acquisition or disposal of any real
25 or personal property; provided, that all contracts for any
26 improvement or unit of work, when the cost according to the
27 estimate of the engineer will exceed five thousand dollars (\$5,000),
28 shall be let to the lowest responsible bidder or bidders as provided
29 in this article. The board shall first determine whether the contract
30 shall be let as a single unit or divided into severable parts. The
31 board shall advertise for bids by three insertions in a daily
32 newspaper of general circulation published in the agency or by
33 two insertions in a nondaily newspaper of general circulation
34 published in the agency or, if no newspaper is published in the
35 agency, in any newspaper of general circulation distributed in the
36 agency, inviting sealed proposals for the construction or
37 performance of the improvement or work. The call for bids shall
38 state whether the work shall be performed in one unit or divided
39 into parts. The work may be let under a single contract or several
40 contracts, as stated in the call. The board shall require the

1 successful bidders to file with the board good and sufficient bonds
2 to be approved by the board conditioned upon the faithful
3 performance of the contract and upon the payment of their claims
4 for labor and material. The bonds shall comply with Title—2 3
5 (commencing with Section 9000) of Part 6 of Division 4 of the
6 Civil Code. The board may reject any bid.

7 (b) In the event all proposals are rejected or no proposals are
8 received, or the estimated cost of the work does not exceed five
9 thousand dollars (\$5,000), or the work consists of channel
10 protection, maintenance work, or emergency work, the board may
11 have the work done by force account without advertising for bids.
12 In case of an emergency, if notice for bids to let contracts will not
13 be given, the board shall comply with Chapter 2.5 (commencing
14 with Section 22050).

15 (c) The agency may purchase in the open market without
16 advertising for bids, materials and supplies for use in any work,
17 either under contract or by force account; provided, however, that
18 materials and supplies for use in any new construction work or
19 improvement, except work referred to in subdivision (b), may not
20 be purchased if the cost exceeds five thousand dollars (\$5,000),
21 without advertising for bids and awarding the contract to the lowest
22 responsible bidder.

23 SEC. 97. Section 21541 of the Public Contract Code is amended
24 to read:

25 21541. (a) The Crestline-Lake Arrowhead Water Agency shall
26 have power to prescribe methods for the construction of works
27 and for the letting of contracts for the construction of works,
28 structures, or equipment, or the performance or furnishing of labor,
29 materials, or supplies, necessary or convenient for carrying out
30 any of the purposes of this act or for the acquisition or disposal of
31 any real or personal property. However, all contracts for the
32 construction of any improvement or unit of work, when the cost,
33 according to the estimate of the engineer, will exceed twenty-five
34 thousand dollars (\$25,000), shall be let to the lowest responsible
35 bidder or bidders as provided in this article. The board shall first
36 determine whether the contract shall be let as a single unit or
37 divided into severable parts. The board shall advertise for bids by
38 three insertions in a daily newspaper of general circulation or by
39 two insertions in a weekly newspaper of general circulation printed
40 and published in the agency, inviting sealed proposals for the

1 construction or performance of the improvement or work. The call
2 for bids shall state whether the work shall be performed in one
3 unit or divided into parts. The work may be let under a single
4 contract or several contracts, as stated in the call.

5 The board shall require the successful bidders to file with the
6 board good and sufficient bonds to be approved by the board
7 conditioned upon the faithful performance of the contract and upon
8 the payment of their claims for labor and material. The bonds shall
9 comply with Title 23 (commencing with Section 9000) of Part 6
10 of Division 4 of the Civil Code. The board may reject any bid.

11 (b) In the event all proposals are rejected or no proposals are
12 received, or the estimated cost of the work does not exceed five
13 thousand dollars (\$5,000), or the work consists of channel
14 protection, maintenance work, or emergency work, the board may
15 have the work done by force account without advertising for bids.
16 In case of an emergency, if notice for bids to let contracts will not
17 be given, the board shall comply with Chapter 2.5 (commencing
18 with Section 22050).

19 (c) The agency may purchase in the open market without
20 advertising for bids, materials and supplies for use in any work,
21 either under contract or by force account. However, materials and
22 supplies for use in any new construction work or improvement,
23 except work referred to in subdivision (b), may not be purchased
24 if the cost exceeds twenty-five thousand dollars (\$25,000), without
25 advertising for bids and awarding the contract to the lowest
26 responsible bidder.

27 SEC. 98. Section 21572 of the Public Contract Code is amended
28 to read:

29 21572. Any improvement or unit of work, except as provided
30 in this article, estimated to cost in excess of five thousand dollars
31 (\$5,000), shall be done by contract and let to the lowest responsible
32 bidder in the manner provided in this article. The board of directors
33 of the agency shall advertise by three insertions in a daily
34 newspaper of general circulation or two insertions in a weekly
35 newspaper of general circulation published in the agency, inviting
36 sealed proposals for the construction of the work before any
37 contract shall be made, and may let by contract separately any part
38 of the work. The board shall require the successful bidder to file
39 with the board good and sufficient bonds to be approved by the
40 board, conditioned upon the faithful performance of the contract,

1 and upon the payment of the claims for labor and material, the
2 bonds to contain the terms and conditions set forth in Title-2 3
3 (commencing with Section 9000) of Part 6 of Division 4 of the
4 Civil Code, and to be subject to the provisions of that title. The
5 board shall also have the right to reject any and all bids, and
6 readvertise for new bids, or by a two-thirds vote may elect to
7 undertake the work by force account. In the event no proposals
8 are received pursuant to advertisement, or where the estimated
9 cost of such work does not exceed five thousand dollars (\$5,000),
10 the board of directors by unanimous vote of all members present
11 may without advertising for bids have the work done by force
12 account. In case of an emergency, if notice for bids to let contracts
13 will not be given, the board shall comply with Chapter 2.5
14 (commencing with Section 22050). The agency may purchase in
15 the open market without advertisement for bids, materials and
16 supplies for use in any work either under contract or by force
17 account.

18 SEC. 99. Section 21581 of the Public Contract Code is amended
19 to read:

20 21581. (a) Any improvement or unit of work when the cost
21 according to the estimate of the engineer will exceed five thousand
22 dollars (\$5,000), shall be done by contract and shall be let to the
23 lowest responsible bidder or bidders in the manner provided in
24 this article. The board shall first determine whether the contract
25 shall be let as a single unit or shall be divided into severable parts,
26 or both, according to the best interests of the district. The board
27 shall call for bids and advertise the call by three insertions in a
28 daily newspaper of general circulation or by two insertions in a
29 weekly newspaper of general circulation printed in the district
30 inviting sealed proposals for the construction or performance of
31 the improvement or work before any contract is made. The call
32 for bids shall state whether the work is to be performed as a unit
33 or shall be divided into severable specific parts, or both, as stated
34 in the call. The board may let the work by single contract for the
35 whole or it may divide the work into severable parts by separate
36 contracts, as stated in the call, according to the best interests of
37 the district. The board shall require the successful bidder or bidders
38 to file with the board a good and sufficient bond to be approved
39 by the board conditioned upon the payment of their claims for
40 labor and material, the bond to contain the terms and conditions

1 set forth in Title-2 3 (commencing with Section 9000) of Part 6 of
2 Division 4 of the Civil Code and to be subject to the provisions of
3 that title. The board shall also have the right to reject any and all
4 bids and readvertise for new bids, or by a two-thirds vote may
5 elect to undertake the work by force account.

6 (b) In the event no proposals are received pursuant to
7 advertisement, or the estimated cost of the work does not exceed
8 five thousand dollars (\$5,000), or the work consists of channel
9 protection, maintenance work, or emergency work, the board of
10 supervisors may, without advertising for bids, have the work done
11 by employees of the district, by day labor, under the direction of
12 the board, by contract, or by any combination of those methods.
13 In case of an emergency, if notice for bids to let contracts will not
14 be given, the board shall comply with Chapter 2.5 (commencing
15 with Section 22050).

16 (c) The district may acquire in the open market without
17 advertising for bids, materials, equipment, and supplies for use in
18 any work or for any other purpose; provided, however, that
19 materials and supplies for use in any new construction work or
20 improvement, except work referred to in subdivision (b), may not
21 be purchased if the cost exceeds five thousand dollars (\$5,000),
22 without advertising for bids and awarding the contract to the lowest
23 responsible bidder.

24 SEC. 100. Section 21591 of the Public Contract Code is
25 amended to read:

26 21591. (a) Any improvement or unit of work, when the cost,
27 according to the estimate of the engineer, will exceed twenty-five
28 thousand dollars (\$25,000), shall be done by contract and shall be
29 let to the lowest responsible bidder or bidders as provided in this
30 article. The board shall first determine whether the contract shall
31 be let as a single unit or divided into severable parts. The board
32 shall advertise for bids by three insertions in a daily newspaper of
33 general circulation or by two insertions in a weekly newspaper of
34 general circulation printed and published in the agency, if there is
35 a newspaper printed and published in the agency, inviting sealed
36 proposals for the construction or performance of the improvement
37 or work. The call for bids shall state whether the work shall be
38 performed in one unit or divided into parts. The work may be let
39 under a single contract or several contracts, as stated in the call.
40 The board shall require the successful bidders to file with the board

1 good and sufficient bonds to be approved by the board conditioned
2 upon the faithful performance of the contract and upon the payment
3 of their claims for labor and material. The bonds shall comply with
4 Title 23 (commencing with Section 9000) of Part 6 of Division 4
5 of the Civil Code. The board may reject any and all bids and
6 readvertise, or by a two-thirds vote may elect to undertake work
7 by force account.

8 (b) If no proposals are received, or the estimated cost of the
9 work does not exceed twenty-five thousand dollars (\$25,000), or
10 the work consists of channel protection, maintenance work, or
11 emergency work, the board may have the work done by force
12 account without advertising for bids. In case of an emergency, if
13 notice for bids to let contracts will not be given, the board shall
14 comply with Chapter 2.5 (commencing with Section 22050).

15 (c) The agency may purchase in the open market without
16 advertising for bids, materials and supplies for use in any work,
17 either under contract or by force account; provided, however, that
18 materials and supplies for use in any new construction work or
19 improvement, except work referred to in subdivision (b), may not
20 be purchased if the cost exceeds twenty-five thousand dollars
21 (\$25,000), without advertising for bids and awarding the contract
22 to the lowest responsible bidder.

23 SEC. 101. Section 21601 of the Public Contract Code is
24 amended to read:

25 21601. Any improvement or unit of work, when the cost,
26 according to the estimate of the engineer, will exceed five thousand
27 dollars (\$5,000), shall be done by contract and let to the lowest
28 responsible bidder or bidders as provided in this article. The board
29 shall first determine whether the contract shall be let as a single
30 unit or divided into severable parts. The board shall advertise for
31 bids by three insertions in a daily newspaper of general circulation,
32 or by two insertions in a weekly newspaper of general circulation,
33 printed and published in the agency, inviting sealed proposals for
34 the construction or performance of the improvement or work. The
35 call for bids shall state whether the work shall be performed in one
36 unit or divided into parts. The work may be let under a single
37 contract or several contracts, as stated in the call. The board shall
38 require the successful bidders to file with the board good and
39 sufficient bonds to be approved by the board conditioned upon the
40 faithful performance of the contract and upon payment of their

1 claims for labor and material. The bonds shall comply with Title
2 2 3 (commencing with Section 9000) of Part 6 of Division 4 of
3 the Civil Code. The board may reject any and all bids and
4 readvertise, or, by a two-thirds vote, may elect to undertake the
5 work by force account. If no proposals are received, the estimated
6 cost of the work does not exceed five thousand dollars (\$5,000),
7 or the work consists of channel protection, maintenance work, or
8 emergency work, the board of supervisors may have the work done
9 by force account without advertising for bids. In case of an
10 emergency, if notice for bids to let contracts will not be given, the
11 board shall comply with Chapter 2.5 (commencing with Section
12 22050). The district may purchase in the open market without
13 advertising for bids, materials, and supplies for use in any work,
14 either under contract or by force account.

15 SEC. 102. Section 21622 of the Public Contract Code is
16 amended to read:

17 21622. The board shall require the successful bidder or bidders
18 to file with the board, good and sufficient bonds, to be approved
19 by the board conditioned upon the faithful performance of the
20 contract and upon the payment of their claims for labor and
21 material in connection therewith. Such contracts shall be subject
22 to the provisions of Title-2 3 (commencing with Section 9000) of
23 Part 6 of Division 4 of the Civil Code.

24 SEC. 103. Section 21631 of the Public Contract Code is
25 amended to read:

26 21631. (a) Any improvement or unit of work when the cost,
27 according to the estimate of the engineer, will exceed six thousand
28 five hundred dollars (\$6,500), shall be done by contract and shall
29 be let to the lowest responsible bidder or bidders in the manner
30 provided in this article. The board shall first determine whether
31 the contract shall be let as a single unit, or shall be divided into
32 severable parts, or both, according to the best interests of the
33 district. The board shall call for bids and advertise the call by three
34 insertions in a daily newspaper of general circulation or by two
35 insertions in a weekly newspaper of general circulation printed in
36 the district inviting sealed proposals for the construction or
37 performance of the improvement or work before any contract is
38 made. The call for bids shall state whether the work is to be
39 performed as a unit or shall be divided into severable parts, or
40 both, as stated in the call. The board may let the work by single

1 contract or it may divide the work into severable parts by separate
2 contracts, as stated in the call, according to the best interests of
3 the district. The board shall require the successful bidder or bidders
4 to file with the board a good and sufficient bond, to be approved
5 by the board, conditioned upon the payment of their claims for
6 labor and material. The bond shall contain the terms and conditions
7 set forth in Title-2 3 (commencing with Section 9000) of Part 6 of
8 Division 4 of the Civil Code and be subject to the provisions of
9 that title. The board may reject any and all bids and readvertise
10 for new bids, or by a two-thirds vote may elect to undertake the
11 work by force account.

12 (b) If no proposals are received pursuant to advertisement or
13 the estimated cost of the work does not exceed six thousand five
14 hundred dollars (\$6,500), or the work consists of channel
15 protection, maintenance work, or emergency work, the board of
16 supervisors may, without advertising for bids, have the work done
17 by employees of the district, by day labor, under the direction of
18 the board, by contract, or by a combination of those methods. In
19 case of an emergency, if notice for bids to let contracts will not be
20 given, the board shall comply with Chapter 2.5 (commencing with
21 Section 22050).

22 (c) The district may acquire in the open market, without
23 advertising for bids, materials, equipment, and supplies for use in
24 any work or for any other purpose; provided, however, that
25 materials and supplies for use in any new construction work or
26 improvement, except that work referred to in subdivision (b), may
27 not be purchased if the cost exceeds six thousand five hundred
28 dollars (\$6,500), without advertising for bids and awarding the
29 contract to the lowest responsible bidder.

30 SEC. 104. Section 136.5 of the Streets and Highways Code is
31 amended to read:

32 136.5. (a) The contracts referred to in Sections 135, 136, and
33 136.1 are not subject to the State Contract Act (Part 2 (commencing
34 with Section 10100) of Division 2 of the Public Contract Code).
35 Except for emergency work of the type described in subdivision
36 (b), whenever the estimated amount of a contract exceeds two
37 thousand five hundred dollars (\$2,500), it shall be awarded to the
38 lowest responsible bidder, after competitive bidding on any
39 reasonable notice that the department may prescribe. Posting of
40 notice for five days in a public place in the district office within

1 which the work is to be done, or the equipment used, is sufficient.
2 Those contracts shall be subject to the applicable payment bond
3 provisions of Chapter 5 (commencing with Section 9550) of Title
4 2 3 of Part 6 of Division 4 of the Civil Code. The department may
5 require faithful performance bonds when considered necessary.
6 The advertisement for each contract shall state whether or not a
7 bond shall be required.

8 (b) In cases of emergency work necessitated by the imminence
9 or occurrence of a landslide, flood, storm damage, accident, or
10 other casualty, tools or equipment may be rented for a period of
11 not to exceed 60 days without competitive bidding, and the
12 department may waive the requirements of Chapter 5 (commencing
13 with Section 9550) of Title 2 3 of Part 6 of Division 2 of the Civil
14 Code to the extent that a contractor may commence performance
15 of the work under the contract for the rental of tools or equipment
16 prior to filing a payment bond with the department. In that case,
17 no payment shall be made to the contractor until a payment bond
18 covering all work of the contract is filed with the department.

19 SEC. 105. (a) This act is operative on January 1, 2012.

20 (b) Except as otherwise provided in this section, this act applies
21 to a contract for a work of improvement executed before, on, or
22 after the operative date.

23 (c) The effectiveness of a notice given, or other action taken,
24 before the operative date is governed by the applicable law in effect
25 before the operative date and not by this act.

26 SEC. 106. Any section of any act, *except SB 1330*, enacted by
27 the Legislature during the 2010 calendar year that takes effect on
28 or before January 1, 2011, and that amends, amends and renumbers,
29 amends and repeals, adds, repeals and adds, or repeals a section
30 that is amended, amended and renumbered, amended and repealed,
31 added, repealed and added, or repealed by this act, shall prevail
32 over this act, whether that act is chaptered before or after this act.

33 SEC. 107. No reimbursement is required by this act pursuant
34 to Section 6 of Article XIII B of the California Constitution because
35 the only costs that may be incurred by a local agency or school
36 district will be incurred because this act creates a new crime or
37 infraction, eliminates a crime or infraction, or changes the penalty
38 for a crime or infraction, within the meaning of Section 17556 of
39 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

3 *SEC. 108. (a) Except as provided in subdivisions (b) and (c):*

4 *(1) This act is intended to be nonsubstantive in effect.*

5 *(2) Nothing in this act is intended to affect a court decision*
6 *construing or relating to a provision of former Chapter 8*
7 *(commencing with Section 3081.1) of Title 14 of Part 4 of Division*
8 *3 of the Civil Code, or former Title 15 (commencing with Section*
9 *3082) of Part 4 of Division 3 of the Civil Code. A court decision*
10 *construing or relating to a provision of one of those former laws*
11 *also applies to a provision of this act that restates and continues*
12 *the former provision. However, in enacting this act, the Legislature*
13 *has not evaluated the correctness of those court decisions. This*
14 *act is not intended to, and does not, reflect any legislative*
15 *assessment of those court decisions.*

16 *(b) The following provisions of the Civil Code, which are*
17 *enacted by this act, are either substantively new or are*
18 *substantively different from former law:*

19 *(1) Section 8014.*

20 *(2) Section 8064.*

21 *(3) Chapter 2 (commencing with Section 8100) of Title 1 of Part*
22 *6 of Division 4.*

23 *(4) Section 8122.*

24 *(5) Section 8128.*

25 *(6) Section 8132.*

26 *(7) Section 8182.*

27 *(8) Section 8186.*

28 *(9) Section 8190.*

29 *(10) Section 8200.*

30 *(11) Section 8424.*

31 *(12) Section 8460.*

32 *(13) Section 8482.*

33 *(14) Section 8486.*

34 *(15) Section 8488.*

35 *(16) Section 8510.*

36 *(17) Section 8604.*

37 *(18) Section 8606.*

38 *(19) Section 8610.*

39 *(20) Section 8800.*

40 *(21) Section 8834.*

- 1 (22) *Section 8844.*
- 2 (23) *Section 9200.*
- 3 (24) *Section 9204.*
- 4 (25) *Section 9362.*
- 5 (26) *Section 9408.*
- 6 (27) *Section 9550.*
- 7 (28) *Section 9558.*
- 8 (c) *The following provisions of former Title 15 (commencing*
- 9 *with Section 3082) of Part 4 of Division 3 of the Civil Code are*
- 10 *not continued by this act:*
- 11 (1) *Subdivision (b) of Section 3086.*
- 12 (2) *Section 3105.*
- 13 (3) *Subdivision (c) of Section 3123.*
- 14 (4) *The second paragraph of Section 3131.*
- 15 (5) *Section 3149.*
- 16 (6) *Section 3204.*
- 17 (7) *Paragraph (1) of subdivision (c) of Section 3260.*
- 18 (8) *Paragraph (2) of subdivision (c) of Section 3260.*